

PUBLIC INSTRUCTION

Budget Summary							
Fund	2000-01 Base Year Doubled	2001-03 Governor	2001-03 Jt. Finance	2001-03 Legislature	2001-03 Act 16	Act 16 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$8,982,743,600	\$9,540,540,800	\$9,453,662,600	\$9,398,784,700	\$9,479,368,600	\$496,625,000	5.5%
FED	771,700,800	837,836,000	837,836,000	837,836,000	837,836,000	66,135,200	8.6
PR	69,600,400	84,753,700	84,580,000	84,830,000	84,680,000	15,079,600	21.7
SEG	46,800,000	58,900,000	58,900,000	59,123,700	59,123,700	12,323,700	26.3
TOTAL	\$9,870,844,800	\$10,522,030,500	\$10,434,978,600	\$10,380,574,400	\$10,461,008,300	\$590,163,500	6.0%

FTE Position Summary						
Fund	2000-01 Base	2002-03 Governor	2002-03 Jt. Finance	2002-03 Legislature	2002-03 Act 16	Act 16 Change Over 2000-01 Base
GPR	334.37	318.77	334.37	334.37	334.37	0.00
FED	243.06	242.66	242.66	242.66	242.66	- 0.40
PR	<u>79.92</u>	<u>79.37</u>	<u>79.37</u>	<u>79.37</u>	<u>79.37</u>	- 0.55
TOTAL	657.35	640.80	656.40	656.40	656.40	- 0.95

Budget Change Items

General School Aids

1. STATE SUPPORT FOR ELEMENTARY AND SECONDARY EDUCATION

Governor: Increase the total appropriated for general and categorical school aids from \$4,463,274,300 in 2000-01 to \$4,639,279,600 in 2001-02 and \$4,823,460,000 in 2002-03. Compared to the 2000-01 base year, school aids would increase by \$176,005,300 in 2001-02 and \$360,185,700 in 2002-03 (or \$184,180,400 in 2002-03 over the 2001-02 recommended level). These proposed funding levels would represent annual increases over the prior year of 3.9% in 2001-02 and 4.0% in 2002-03.

The administration estimates that the bill would provide two-thirds state funding of partial school revenues in the 2001-03 biennium. State funding is statutorily defined as the sum of state general and categorical school aids and the school levy property tax credit. With certain limited exceptions, partial school revenues are statutorily defined as the sum of state general and categorical school aids, the gross property tax levied for school districts and computer aid payments to school districts. The bill would increase state funding from the base amount of \$4,932,579,300 in 2000-01 to \$5,108,584,600 in 2001-02 and \$5,292,765,000 in 2002-03. These funding increases would represent annual increases over the prior year of 3.6% in each year of the 2001-03 biennium.

Joint Finance: Increase the total amount appropriated for general and categorical school aids to \$4,644,664,900 in 2001-02 and to an aid entitlement of \$4,844,109,300 in 2002-03. Compared to the Governor's recommendations, school aids would increase by \$5,385,300 in 2001-02 and \$20,649,300 in 2002-03. Compared to the 2000-01 base year, school aids would increase by \$181,390,600 in 2001-02 and \$380,835,300 in 2002-03 (or \$199,444,400 in 2002-03 over the 2001-02 recommended level). These proposed funding levels would represent annual increases over the prior year of 4.1% in 2001-02 and 4.3% in 2002-03. Of the aid entitlement for 2002-03 of \$4,844,109,300, \$115,000,000 of general school aids would be paid in July, 2003. This payment delay would reduce general fund expenditures in 2002-03 by \$115,000,000.

The Joint Committee on Finance provisions would provide an estimated two-thirds state funding of partial school revenues. The Committee provisions would increase state funding to \$5,113,969,900 in 2001-02 and \$5,313,414,300 in 2002-03. These funding levels would represent increases over the prior year of 3.7% in 2001-02 and 3.9% in 2002-03.

Conference Committee/Legislature: Increase the total amount appropriated for general and categorical school aids to \$4,617,909,500 in 2001-02 and to an aid entitlement of \$4,813,042,400 in 2002-03. Compared to the Joint Finance provisions, school aids would decrease by \$26,755,400 in 2001-02 and \$31,066,900 in 2002-03. Compared to the 2000-01 base year, school aids would increase by \$154,635,200 in 2001-02 and \$349,768,100 in 2002-03 (or \$195,132,900 in 2002-03 over the 2001-02 recommended level). These proposed funding levels would represent annual increases over the prior year of 3.5% in 2001-02 and 4.2% in 2002-03. As under the Joint Finance version of the budget, of the total aid entitlement for 2002-03 of \$4,813,042,400, \$115 million of general school aids would be paid in July, 2003.

The Legislature's provisions would provide an estimated two-thirds state funding of partial school revenues and would increase state funding to \$5,097,649,400 in 2001-02 and \$5,292,782,300 in 2002-03. These funding levels would represent increases over the prior year of 3.3% in 2001-02 and 3.8% in 2002-03.

Veto by Governor [A-5, A-6 and A-7]: Modify state support for K-12 education as follows: (a) delete the delayed payment of an additional \$115 million of equalization aid for the 2002-03 school year from the third Monday in June of 2003 until the fourth Monday in July of

2003; (b) delete the revenue limit flexibility provisions allowing a school district to increase its revenue limit by 0.78% of the statewide average allowable revenue per pupil, weighted by property value per member; and (c) delete the provisions reducing the enrollment count for non-special education four-year-old kindergarten (K4) pupils by 0.2 member for revenue limit and general school aid membership purposes.

As vetoed, in 2001-02, the general school aids reduction is \$15,000,000, attributable to the veto of the revenue limit flexibility provision. In 2002-03, the reduction is \$16,700,000, which is the net effect of a \$30,000,000 reduction attributable to the veto of revenue limit flexibility, partially offset by a \$13,300,000 funding increase related to the veto of the proposed reduction in K4 membership. No additional funding attributable to eliminating the payment delay is shown in the Governor's veto in Act 16, since the Governor cannot write in a larger funding amount than is included in the bill as passed by the Legislature.

Under current law governing state two-thirds funding of partial K-12 school revenues, for each fiscal year, the Department of Administration (DOA), the Department of Public Instruction (DPI) and the Legislative Fiscal Bureau (LFB) must jointly certify an estimate of the amount of equalization aid needed to maintain two-thirds funding by May 15 of the preceding fiscal year. The Joint Committee on Finance must then meet to legally determine the amount of general school aid appropriated by June 30 of the preceding fiscal year. As a result of the Governor's item veto of the payment delay, the DOA, DPI and LFB certification in May, 2002, of the estimated amount of funding needed in 2002-03 to meet the state's two-thirds funding goal will be \$115 million higher than it would have been under the Legislature's provisions. Absent a change to the statutory two-thirds funding goal, it is assumed that the Joint Committee on Finance will make a determination of general school aid funding in June, 2002, that would be \$115 million higher in 2002-03 than it would have been under the Legislature's provisions to maintain state two-thirds funding of partial school revenues.

Under the Act 16 provisions, funding for general and categorical aids will increase to \$4,602,909,500 in 2001-02 and \$4,796,342,400 in 2002-03. Compared to the 2000-01 base year, school aids would increase by \$139,635,200 in 2001-02 and \$333,068,100 in 2002-03 (or \$193,432,900 in 2002-03 over the 2001-02 level). These funding levels represent annual increases over the prior year of 3.1% in 2001-02 and 4.2% in 2002-03.

The Act 16 provisions would provide an estimated two-thirds state funding of partial school revenues and would increase state funding to \$5,082,649,400 in 2001-02 and \$5,276,082,300 in 2002-03. These funding levels would represent increases over the prior year of 3.0% in 2001-02 and 3.8% in 2002-03.

A summary of the funding amounts and estimates of partial school revenues for the 2000-01 base year, under the recommendations of the Governor and Joint Finance and under Act 16 are presented in Table 1. (The general school aids amounts shown in the following tables for

the Joint Finance and Act 16 provisions for 2002-03 reflect the \$115 million in equalization aid eligibility for 2002-03 related to the delayed payment provisions.)

TABLE 1

**State Support for K-12 Education
(\$ in Millions)**

	<u>2000-01</u> <u>Base Year</u>	<u>Governor</u>		<u>Joint Finance</u>		<u>Act 16</u>	
		<u>2001-02</u>	<u>2002-03</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2001-02</u>	<u>2002-03</u>
State Funding:							
General School Aids	\$3,931.9	\$4,087.3	\$4,250.0	\$4,094.0	\$4,270.2 *	\$4,051.6	\$4,220.9**
Categorical Aids	531.4	552.0	573.4	550.6	574.0	551.3	575.4
School Levy Credit	469.3	469.3	469.3	469.3	469.3	469.3	469.3
State Residential Schools	N.A.	N.A.	N.A.	N.A.	N.A.	10.4	10.4
Total	\$4,932.6	\$5,108.6	\$5,292.7	\$5,113.9	\$5,313.5	\$5,082.6	\$5,276.0
Partial School Revenues	\$7,403.7	\$7,662.9	\$7,939.1	\$7,670.0	\$7,970.0	\$7,624.0	\$7,914.1
State Share	66.62%	66.67%	66.67%	66.67%	66.67%	66.67%	66.67%

*Includes \$115 million in equalization aid eligibility for 2002-03 that would have been paid on a delayed basis in 2003-04.

**Assumes Joint Finance determination of general school aids funding in June, 2002, that would be \$115 million higher than the amount in the Act 16 appropriation schedule in 2002-03 to account for the veto of the payment delay provision.

Table 2 provides an outline of state support for K-12 education by individual fund source. Table 3 presents the Act 16 funding levels for each general and categorical school aid program as compared to the 2000-01 base funding level. The provisions relating to individual school aid programs are summarized in the items that follow.

TABLE 2

State Support for K-12 Education by Fund Source

	<u>2000-01</u> <u>Base Year</u>	<u>Governor</u>		<u>Joint Finance</u>		<u>Act 16</u>	
		<u>2001-02</u>	<u>2002-03</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2001-02</u>	<u>2002-03</u>
GPR							
General School Aids	\$ 3,931,871,500	\$4,087,327,900	\$ 4,250,046,700	\$4,094,034,400	\$4,270,154,900 *	\$4,051,569,600	\$4,220,945,900**
Categorical Aids	493,757,300	509,375,300	530,366,500	508,116,100	528,769,600	508,625,500	530,011,700
School Levy Credit	469,305,000	469,305,000	469,305,000	469,305,000	469,305,000	469,305,000	469,305,000
State Residential Schools	N.A.	N.A.	N.A.	N.A.	N.A.	10,434,900	10,434,900
GPR Subtotal	\$4,894,933,800	\$5,066,008,200	\$5,249,718,200	\$5,071,455,500	\$5,268,229,500	\$5,039,935,000	\$5,230,697,500
PR							
Categorical Aids	6,824,100	6,841,100	6,841,100	6,891,100	6,841,100	6,891,100	6,841,100
SEG							
Categorical Aids	30,821,400	35,735,300	36,205,700	35,623,300	38,343,700	35,823,300	38,543,700

Total State Support							
-- All Funds	\$4,932,579,300	\$5,108,584,600	\$5,292,765,000	\$5,113,969,900	\$5,313,414,300	\$5,082,649,400	\$5,276,082,300

*Includes \$115 million in equalization aid eligibility for 2002-03 that would have been paid on a delayed basis in 2003-04.

**Assumes Joint Finance determination of general school aids funding in June, 2002, that would be \$115 million higher than the amount in the Act 16 appropriation schedule in 2002-03 to account for the veto of the payment delay provision.

TABLE 3

**General and Categorical School Aid by Funding Source
Act 16 Compared to 2000-01 Base Year**

Agency	Type and Purpose of Aid	2000-01 Base Year	Act 16		2001-03 Change Over Base Year Doubled	
			2001-02	2002-03	Amount	Percent
DPI	General School Aid -- GPR Funded					
	Equalization Aid	\$3,931,871,500	\$4,051,569,600	\$4,220,945,900 *	\$408,772,500	5.2%
DPI	Categorical Aid -- GPR Funded					
	Special Education	\$315,681,400	\$315,681,400	\$315,681,400	\$0	0.0%
	SAGE	54,015,600	71,190,600	90,290,600	53,450,000	49.5
	SAGE - Supplement	4,739,000	4,739,000	4,739,000	0	0.0
	SAGE - Debt Service	3,000,000	300,000	300,000	-5,400,000	-90.0
	Pupil Transportation	17,742,500	17,742,500	17,742,500	0	0.0
	Tuition Payments/Open Enrollment Transfer	8,373,600	8,803,700	9,741,000	1,797,500	10.7
	Bilingual-Bicultural Education	8,291,400	8,291,400	8,291,400	0	0.0
	P-5 Grants	7,353,700	7,353,700	7,353,700	0	0.0
	Alternative Education Grants	5,000,000	5,000,000	5,000,000	0	0.0
	Grants for AODA Prevention and Intervention	4,520,000	4,520,000	4,520,000	0	0.0
	Driver Education	4,493,700	4,345,600	4,304,700	-337,100	-3.8
	School Lunch	4,371,100	4,371,100	4,371,100	0	0.0
	County Children with Disabilities Education Boards	4,000,000	4,116,000	4,214,800	330,800	4.1
	Head Start Supplement	3,712,500	3,712,500	3,712,500	0	0.0
	Children at Risk	3,500,000	3,500,000	3,500,000	0	0.0
	School Breakfast	892,100	1,055,400	1,055,400	326,600	18.3
	School Day Milk	710,600	710,600	710,600	0	0.0
	Aid for Transportation - Open Enrollment	500,000	500,000	500,000	0	0.0
	Peer Review and Mentoring	500,000	500,000	500,000	0	0.0
	Aid for Cooperative Educational Service Agencies	300,000	300,000	300,000	0	0.0
	Supplemental Aid	125,000	125,000	125,000	0	0.0
	Aid for Transportation - Youth Options Program	20,000	20,000	20,000	0	0.0
TEACH	Educational Technology Block Grants	35,000,000	35,000,000	35,000,000	0	0.0
	Educational Technology/Training Assistance	4,000,000	4,000,000	4,000,000	0	0.0
	Debt Service on Technology Infrastructure Bonding	2,715,100	2,747,000	4,038,000	1,354,800	24.9
UW	Environmental Education Grants	200,000	0	0	-400,000	-100.0
	Total Categorical Aid -- GPR Funded	\$493,757,300	\$508,625,500	\$530,011,700	\$51,122,600	5.2%
DPI	Categorical Aid -- PR Funded					
	Head Start Supplement	\$3,712,500	\$3,712,500	\$3,712,500	\$0	0.0%
	AODA	1,498,600	1,498,600	1,498,600	0	0.0
	Aid to MPS	1,410,000	1,410,000	1,410,000	0	0.0
	Alternative School American Indian	203,000	220,000	220,000	34,000	8.4
	Special Counselor Grants	0	50,000	0	50,000	N.A.
	Total Categorical Aid -- PR Funded	\$6,824,100	\$6,891,100	\$6,841,100	\$84,000	0.6%
DPI	Categorical Aid -- SEG Funded					
	School Library Aids	\$21,700,000	\$27,000,000	\$28,500,000	\$12,100,000	27.9%
TEACH	Educational Telecommunications Access Support	8,891,400	8,393,300	9,613,700	224,200	1.3
UW	Environmental Education, Forestry	200,000	400,000	400,000	400,000	100.0
	Environmental Education, Enviro. Assessments	30,000	30,000	30,000	0	0.0
	Total Categorical Aid -- SEG Funded	\$30,821,400	\$35,823,300	\$38,543,700	\$12,724,200	20.6%
	Total Categorical Aid -- All Funds	\$531,402,800	\$551,339,900	\$575,396,500	\$63,930,800	6.0%
	Total Aid -- All Funds	\$4,463,274,300	\$4,602,909,500	\$4,796,342,400	\$472,703,300	5.3%

*Assumes Joint Finance determination of general school aids funding in June, 2002, that would be \$115 million higher than the amount in the Act 16 appropriation schedule in 2002-03 to account for the veto of the payment delay provision.

2. GENERAL SCHOOL AIDS FUNDING LEVEL [LFB Paper 730]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Legislature (Chg. to JFC)	Veto (Chg to Leg)	Net Change
GPR	\$473,631,600	\$26,814,700	- \$59,973,800	- \$31,700,000	\$408,772,500

Governor: Provide \$155,456,400 in 2001-02 and \$318,175,200 in 2002-03 for general school aids. Total funding would increase from an adjusted base of \$3,931,871,500 in 2000-01 to \$4,087,327,900 in 2001-02 and \$4,250,046,700 in 2002-03. This represents annual increases over the prior year of 4.0% in each year of the 2001-03 biennium. General school aids includes equalization aid, integration (Chapter 220) aid and special adjustment aid. In the 2000-01 base year, school districts are eligible for \$3,843.6 million in equalization aid, \$86.6 million in integration aid and \$1.7 million in special adjustment aid.

Joint Finance: Provide \$12,000,000 in 2001-02 and \$15,000,000 in 2002-03 based on reestimated costs of funding two-thirds of partial school revenues. In addition, adjust general school aids funding as needed to reflect other changes made by the Joint Finance Committee to revenue limits, categorical aid appropriations and payments for the Milwaukee charter school program. The net effect of all Joint Finance modifications would be to provide \$6,706,500 in 2001-02 and \$20,108,200 in 2002-03 for general school aids compared to the Governor's recommendations. Total funding for general school aids would increase to \$4,094,034,400 in 2001-02 and \$4,270,154,900 in 2002-03. This represents annual increases over the prior year of 4.1% in each year of the 2001-03 biennium. Further information for each of these adjustments is provided in the relevant summary items.

Conference Committee/Legislature: Delete a net amount of \$27,464,800 in 2001-02 and \$32,509,000 in 2002-03 from general school aids compared to Joint Finance provisions to reflect the legislative changes made by the Legislature to revenue limits, categorical aid appropriations and Milwaukee parental choice program funding. Total funding for general school aids would be \$4,066,569,600 in 2001-02 and \$4,237,645,900 in 2002-03. This represents an increase over the prior year of 3.4% in 2001-02 and 4.2% in 2002-03. Further information regarding each of the funding adjustments is provided in the relevant summary items.

Veto by Governor [A-6 and A-7]: Delete a net amount of \$15,000,000 in 2001-02 and \$16,700,000 in 2002-03 from general school aids compared to the Legislature's provisions to reflect partial vetoes made to provisions to allow a school district to increase its revenue limit by 0.78% of the statewide average allowable revenue per pupil, weighted by property value per member and to reduce the enrollment count for non-special education four-year-old kindergarten pupils by 0.2 member for revenue limit and general school aid membership purposes. Total funding for general school aids, would be \$4,051,569,600 in 2001-02 and \$4,220,945,900 in 2002-03, assuming that the Joint Committee on Finance makes a determination of general school aid funding in June, 2002, that would be \$115 million higher in 2002-03 to account for the veto of the payment delay provision. This would represent an increase over the

prior year of 3.0% in 2001-02 and 4.2% in 2002-03. Further information regarding each of the funding adjustments is provided in the relevant summary items.

3. SECONDARY COST CEILING [LFB Paper 731]

Governor: Set the secondary cost ceiling per member under the equalization aid formula equal to \$6,900 in 2001-02 and \$7,300 in 2002-03. Beginning in 2003-04 and in each year thereafter, the secondary cost ceiling would be adjusted for inflation on an annual basis.

Under current law, the equalization aid formula provides support for three levels of shared costs. Secondary shared costs are those costs between \$1,000 per member and the secondary cost ceiling per member, which is \$6,533 in 2000-01. The secondary cost ceiling is currently adjusted annually for inflation.

Joint Finance/Legislature: Delete provision. Instead, beginning with equalization aid paid in 2001-02, define the secondary cost ceiling to equal 90% of the prior year statewide shared cost per member. In 2001-02, the secondary cost ceiling would be \$6,848 under this provision. Also, delete the requirement that the secondary cost ceiling be adjusted annually for inflation.

[Act 16 Sections: 2204m and 2765z]

4. SPECIAL ADJUSTMENT AID

Governor/Legislature: Clarify that, in calculating special adjustment aid, any prior year general school aid adjustments made by DPI that are paid in the current school year be included as prior year, rather than current year, aid payments for the comparison of aid payments in the prior and current years. Specify that this provision would first apply to aid adjustments made on the effective date of the bill. Under special adjustment aid, which is a first draw on the general school aids appropriation, a school district's general school aid payment in a particular year can be no less than 85% of its prior year payment.

[Act 16 Sections: 2769 thru 2771 and 9340(6)]

5. CLARIFY TREATMENT OF COMPUTER AID FOR EQUALIZATION AID PURPOSES

Governor/Legislature: Clarify that computer aid received by school districts be included as shared costs under the equalization aid formula, beginning with aid paid in the 2001-02 school year.

[Act 16 Sections: 2761 and 9340(7)]

6. EQUALIZATION AID PAYMENT DELAY

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg)	Net Change
GPR	-\$115,000,000	\$115,000,000	\$0

Joint Finance: Delay the payment of an additional \$115 million of equalization aid for the 2002-03 school year from the third Monday in June of 2003 until the fourth Monday in July of 2003. Under current law, the payment of \$75 million in equalization aid is delayed to the fourth Monday in July.

Create a transfer and payment mechanism that could reduce these payment delays if additional revenues accrue to the state. Specify that if the actual amount of general fund taxes collected in a fiscal year exceeds the published estimate, the proposed annual transfer to a tax relief fund of one-half of the excess would be modified so that up to the first \$115 million of monies that otherwise would have been deposited to a tax relief fund would instead be used to pay the \$115 million of school aids in June rather than July.

Assembly: Delete provision.

Conference Committee/Legislature: Include Joint Finance provision.

Veto by Governor [A-5]: Delete provision. (The \$115 million show in the box above, assumes that Joint Finance determination of general school aids funding in June, 2002, will be \$115 million higher than the amount in the Act 16 appropriation schedule in 2002-03 to account for the veto for the payment delay provision.)

[Act 16 Vetoed Sections: 2767f, 2777g and 2777r]

7. INTEREST ON DELAYED EQUALIZATION AID PAYMENTS

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg)	Net Change
GPR	\$700,000	-\$700,000	\$0

Joint Finance: Provide \$700,000 in 2002-03 in a sum sufficient appropriation to pay interest to school districts related to the additional delayed payment of \$115 million in equalization aid for the 2002-03 school year from the third Monday in June of 2003 to the fourth Monday in July of 2003. Specify that the interest payment for each school district be calculated using the annualized state investment fund earnings rate for April of each year to provide each school district with the amount of interest it would have earned using that earnings rate on its portion of the \$115 million payment delay for the period of the delay. Provide that this

payment of interest would be made by DPI on the third Monday in June of 2003. Specify that this payment of interest would be provided outside of revenue limits and would not count towards two-thirds funding of partial school revenues.

Assembly: Delete provision.

Conference Committee/Legislature: Include Joint Finance provision.

Veto by Governor [A-5]: Delete provision.

[Act 16 Vetoed Sections: 395 (as it relates to s. 20.255(2)(am)), 546m, 2767m, 2779 (as it relates to s. 20.255(2)(am)) and 2779m (as it relates to s. 20.255(2)(am))]

8. DEBT LEVY LIMIT FOR CALCULATION OF PARTIAL SCHOOL REVENUES

Assembly: Limit the amount of referenda-approved school district debt levy included in the definition of partial school revenues, beginning in 2001-02, to the lesser of the actual referenda-approved debt levy or \$460 million. Delete \$20,000,000 GPR in 2001-02 and \$40,000,000 GPR in 2002-03 from general school aids to adjust two-thirds funding.

Under current law, property tax levies for debt service payments of school districts are included in the partial school revenues used in calculating state two-thirds funding. This provision would establish a limit on the total amount of property tax levies to pay debt service on referenda-approved debt that would be included in the two-thirds funding calculation. If, in the aggregate, school district debt levies exceed this limit, then most school districts would see a proportionate reduction in state support for all school district costs. Debt service costs for all school districts would continue to be aided as shared costs under the equalization formula as under current law. It is estimated that the referenda-approved debt levy will increase from approximately \$460 million in 2000-01 to \$490 million in 2001-02 and \$520 million in 2002-03, for increases compared to the 2000-01 base year of \$30 million in 2001-02 and \$60 million in 2002-03. Thus, the amount needed to maintain the state's two-thirds commitment would be reduced by \$20 million in 2001-02 and \$40 million in 2002-03.

Conference Committee/Legislature: Delete provision.

9. STATE RESIDENTIAL SCHOOLS IN TWO-THIRDS CALCULATION

GPR	- \$6,956,600
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Assembly/Legislature: Specify that the general program operations appropriation for the School for the Deaf and the Center for the Blind and Visually Impaired, funded at \$10,434,900 annually under Joint Finance, be included in the definition of state school aids for the purpose of determining the state's two-thirds funding goal. As a result of this change, delete \$3,478,300

annually in general school aids to adjust two-thirds funding. The fiscal effect of this provision is shown in the box above, and is reflected in the summary entry related to general school aids.

[Act 16 Section: 2779m]

10. EXCLUSION OF DEBT SERVICE FROM SHARED COST FOR NEGATIVE TERTIARY AID DISTRICTS

Assembly: Specify that, beginning with aid paid in the 2002-03 school year, debt service on debt authorized by a referendum on or after the effective date of the budget bill would be excluded from shared cost for the calculation of a school district's equalization aid if the result of excluding such debt service would be an increase in the equalization aid payment to the district.

Under current law, shared cost is generally defined as the sum of the net cost of a school district's general fund and debt service fund. Under the equalization aid formula, districts with shared costs per pupil above the secondary cost ceiling (\$6,533 in 2000-01) and equalized value above the statewide average (\$303,298 in 2000-01) would generate negative aid as a result of any increase in shared cost. This provision would specify that debt service costs resulting from a referendum would not be counted in shared cost for negative tertiary districts, of which there were 124 in 2000-01. As a result, equalization aid could be shifted from lower-value to higher-value districts for costs attributable to such referenda, if they would have been offered and passed under current law.

Conference Committee/Legislature: Delete provision.

11. LEGISLATIVE COUNCIL STUDY OF SCHOOL FINANCING

Assembly/Legislature: Request the Joint Legislative Council to conduct a study of school financing. Require that, if the Council conducts the study, it report its findings, conclusions and recommendations to the Legislature by June 30, 2003.

Veto by Governor [A-10]: Delete provision.

[Act 16 Vetoed Section: 9140(10k)]

Revenue Limits

1. REVENUE LIMIT PER PUPIL ANNUAL INCREASE [LFB Paper 735]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$14,100,000	\$14,100,000	\$0

Governor: Delete the inflation adjustment to the per pupil revenue amount that is provided as an annual increase to a school district's per pupil base revenue, beginning in the 2001-02 school year. Provide that the annual per pupil adjustment would remain at the 2000-01 level, which is \$220.29. Specify that the \$220.29 adjustment would also apply to school districts that reorganize.

Under current law, the per pupil adjustment is indexed for inflation, by multiplying the prior year dollar amount by the percentage change in the consumer price index between the preceding March and the second preceding March. Using the indexing adjustment, DOA estimates that this per pupil adjustment would increase to \$226.02 for revenue limits calculated for the 2001-02 school year and \$233.12 for the 2002-03 school year under current law. Based on these figures, DOA staff estimate that this bill provision would reduce the cost of funding two-thirds of partial school revenues by approximately \$3,300,000 in 2001-02 and \$10,800,000 in 2002-03 compared to estimates of current law. The fiscal effect of this provision is shown in the box above, and is reflected in the summary entry relating to general school aids.

Joint Finance/Legislature: Delete provision. Provide \$3,300,000 in 2001-02 and \$10,800,000 in 2002-03 in general school aids to adjust two-thirds funding. The fiscal effect of this provision is shown in the box above, and is reflected in the summary entry related to general school aids.

2. SUMMER SCHOOL REVENUE LIMIT ENROLLMENT COUNTS [LFB Paper 736]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$8,400,000	\$8,400,000	\$0

Governor: Specify that 25%, rather than the current law 40%, of summer school enrollment be added to the membership counts from the third Friday in September for determining a school district's revenue limit, beginning with the 2001 summer enrollment count used for the revenue limit calculation for the 2001-02 school year and in every school year thereafter.

Revenue limits are calculated using a three-year rolling average of pupil enrollment. Under the bill, a school district's enrollment count for revenue limit purposes in 2001-02 would include 20% of 1999 summer enrollment, 40% of 2000 summer enrollment and 25% (rather than 40% under current law) of 2001 summer enrollment. In 2002-03, enrollment counts would include 40% of 2000 summer enrollment and 25% (rather than 40% under current law) of 2001 and 2002 summer enrollment. Beginning in 2003-04 and in each year thereafter, enrollment counts would include 25% (rather than 40% under current law) of the three years' summer enrollments.

DOA staff estimate that this bill provision would reduce the cost of funding two-thirds of partial school revenues by approximately \$2,300,000 in 2001-02 and \$6,100,000 in 2002-03 compared to estimates of current law. The fiscal effect of this provision is shown in the box above, and is reflected in the summary entry relating to general school aids.

Joint Finance/Legislature: Delete provision. Provide \$2,300,000 in 2001-02 and \$6,100,000 in 2002-03 in general school aids to adjust two-thirds funding. The fiscal effect of this provision is shown in the box above, and is reflected in the summary entry related to general school aids.

3. LOW-REVENUE CEILING

GPR	\$440,000
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Governor/Legislature: Increase the low-revenue ceiling to \$6,700 in 2001-02 and \$6,900 in 2002-03. Under current law, any school district with base revenues per pupil for the prior school year of less than \$6,500 may increase its revenues up to the low-revenue ceiling of \$6,500 per pupil.

DOA staff estimate that this bill provision would increase the cost of funding two-thirds of partial school revenues by approximately \$240,000 in 2001-02 and \$200,000 in 2002-03 compared to estimates of current law. The fiscal effect of this provision is shown in the box above, and is reflected in the summary entry relating to general school aids.

[Act 16 Section: 2789]

4. CARRYOVER OF UNUSED REVENUE LIMIT AUTHORITY

Governor/Legislature: Modify the current law provision related to the carryover of unused authority under revenue limits in cases where a school district receives a positive prior year aid adjustment in the current school year and the district's revenues in the preceding school year were less than the district's revenue limit in that year. Specify that if the prior year aid adjustment is less than the difference between a district's revenue limit and actual revenues in the prior year, the district's revenue limit in the current year is increased by an amount equal to the sum of the aid adjustment and 75% of an amount equal to the district's prior year revenue limit less the district's prior year actual revenues less the amount of the aid adjustment. Specify

that if the prior year aid adjustment is equal to or greater than the difference between a district's revenue limit and actual revenues in the prior year, the district's revenue limit in the current year is increased by an amount equal to the difference between the district's revenue limit and actual revenues in the prior year. Specify that this provision would first apply to state aid adjustments made after the effective date of the bill.

Under current law, if a school district's revenues in any school year are less than the maximum allowed in that year, the revenue limit otherwise applicable to the district in the subsequent school year is increased by an amount equal to 75% of the difference between the district's actual revenues and the maximum amount allowed.

DOA staff estimate that this bill provision would have a minimal effect on the cost of funding two-thirds of partial school revenues.

[Act 16 Sections: 2797, 2798 and 9340(8)]

5. REVENUE LIMIT PENALTY EXCEPTION FOR DEBT LEVY

Governor/Legislature: Specify that the penalty provisions for exceeding revenue limits would not apply to property taxes levied for the purpose of paying the principal and interest on valid bonds or notes issued by a school board.

Under current law, if a school district exceeds its maximum allowable revenue without referendum approval, the State Superintendent must reduce the district's equalization aid payment, or other state aid payments, by the excess revenue amount. If a district's state aid is less than the penalty amount, the State Superintendent must order a school board to reduce its property tax levy in an amount equal to any remaining amount by which the district exceeded the revenue limit.

[Act 16 Section: 2799]

6. TREATMENT OF COMMUNITY SERVICE LEVIES UNDER REVENUE LIMITS

GPR	- \$22,667,800
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Joint Finance/Legislature: Exclude community service levies from the limited levy under revenue limits. Specify that the community service levy would be excluded from a district's prior year base revenues and from a district's current year revenue limit beginning with revenue limits calculated for the 2001-02 school year. Exclude these levies from the definition of partial school revenues. Delete \$11,333,900 annually in general school aids to adjust two-thirds funding. The fiscal effect of this provision is shown in the box above, and is reflected in the summary entry related to general school aids.

Currently, school districts can establish a separate fund for community service activities. The fund is used to account for activities which are not elementary and secondary educational programs but have the primary function of serving the community, such as adult education, community recreation programs such as evening swimming pool operation and softball leagues, elderly food service programs, non-special education preschool or day care services and other programs. School districts are allowed to adopt a separate tax levy for this fund. If a district does so, that levy is currently part of the limited levy under revenue limits. In 2000-01, it is estimated that 119 school districts will levy over \$17.0 million for community service activities.

[Act 16 Sections: 2779, 2789m, 2791m, 2798f and 9340(11x)]

7. REVENUE LIMIT AGREEMENT FOR CERTAIN DISTRICTS

Joint Finance/Legislature: Provide that if a school district held a referendum before February 5, 2001, to exceed its revenue limit and the resolution adopted by the school board and referred to in the question submitted to the voters specified a mill rate to be used to calculate the revenue limit increase, the amount by which a school district's revenue limit is increased as a result of the referendum for each year specified in the referendum is the dollar amount agreed to by DPI and the school board of the district.

Under current law, a school district may exceed its revenue limit by receiving voter approval at a referendum. Under the statutes, a school board must adopt a resolution supporting inclusion in the district's budget of "an amount equal to the proposed excess revenue" and the question placed before the voters must ask whether to exceed the revenue limit "by a specified amount." This provision would apply to a referendum passed by voters in the Melrose-Mindoro School District in June of 2000 to exceed the District's revenue limit by an amount that would result from a levy of a specified mill rate on the value of property in the District.

[Act 16 Section: 4034z]

8. REVENUE LIMIT FLEXIBILITY [LFB Paper 737]

	Legislature (Chg. to Base)	Veto (Chg. to Leg)	Net Change
GPR	\$45,000,000	- \$45,000,000	\$0

Senate: Allow a school district to increase its revenue limit, beginning in 2001-02, if the school board adopts a resolution approving the increase by a two-thirds vote of the membership, as follows:

Specify that the amount of the allowable increase would equal 1% of the statewide average allowable revenue per pupil in the previous school year multiplied by the district's three-year rolling average pupil enrollment. Include the additional revenue provided in the definition of partial school revenues for the purposes of two-thirds funding. Provide \$16 million in 2001-02 and \$33 million in 2002-03 for general school aids to maintain two-thirds funding.

Specify that the adjustment would be provided on a nonrecurring basis, meaning the additional revenues would be excluded from the base for determining a district's revenue limit for the following year. Under current law, expenditures made from the additional revenue would be included in shared costs for general school aids purposes. A school board could adopt a resolution to increase its revenue limit under these provisions annually.

Conference Committee/Legislature: Modify the Senate provision to specify that the allowable increase for each school district would be calculated as follows:

a. The statewide average allowable revenue per pupil in the previous school year would be multiplied by 0.78%.

b. For each district, that amount would be multiplied by a weighting factor, which would be calculated by dividing the statewide average equalized property value per member by the property value per member for the district. As for the calculation of equalization aids, the property valuations would be from the prior year and would be adjusted for K-8 and UHS districts. If a district's per pupil property value is less than \$120,000, for the purposes of this calculation, it would be set equal to \$120,000.

c. The resulting amount would be multiplied by the district's current three-year rolling average pupil enrollment to determine the total allowable increase for the district.

Provide \$15 million in 2001-02 and \$30 million in 2002-03 for general school aids to maintain two-thirds funding. The fiscal effect of this provision is shown in the box above, and is reflected in the summary entry related to general school aids.

Veto by Governor [A-6]: Delete provision.

[Act 16 Vetoed Sections: 395 (as it relates to s. 20.255(2)(ac)), 2798s and 9340(14c)]

9. REVENUE LIMITS -- FOUR-YEAR-OLD KINDERGARTEN MEMBERSHIP

	Legislature (Chg. to Base)	Veto (Chg. to Leg)	Net Change
GPR	- \$14,000,000	\$14,000,000	\$0

Senate: Provide that, for revenue limit and general school aid membership purposes, a pupil enrolled in a four-year-old kindergarten (K4) program generally be counted on a full-time equivalency (FTE) basis beginning in the 2002-03 school year. Specifically, provide that a K4 pupil enrolled in a program requiring full-day attendance for five days a week for an entire school year be counted as 1.0 member and that a K4 pupil attending a program requiring full-day attendance for less than five days a week for an entire school year be counted based on the result obtained by multiplying the number of hours in each day in which the pupil is enrolled by the total number of days for which the pupil is enrolled, and dividing the result by the product of the number of hours of attendance per day required of first grade pupils in the school district multiplied by 180. Further, specify that a pupil enrolled in a K4 program that provides 437 hours of direct pupil instruction be counted as 0.6 pupil if the program annually provides at least 87.5 additional hours of outreach activities. Provide \$2.2 million in 2002-03 for general school aids in order to maintain two-thirds funding of partial school revenues.

Assembly: Provide that, for revenue limit and general school aid membership purposes, pupils enrolled in a K4 program who are not considered children with disabilities would be excluded from the definition of membership. Specify that these pupils would be removed from all years of the three-year rolling average under revenue limits and that state aid and property taxes utilized for non-special education K4 programs would be excluded from base revenues in the 2002-03 revenue limit calculation. Provide that the definition of shared cost would be modified to exclude costs attributable to non-special education K4 programs, beginning with general school aids eligibility in 2002-03.

Establish a revenue limit adjustment under which school districts could increase their local property tax levy to fund a K4 kindergarten program for pupils who are not considered children with disabilities. Exclude any revenues generated under this revenue limit adjustment from the definition of partial school revenues, so that those revenues would be excluded from the two-thirds funding calculation.

Specify that these provisions would be effective in the 2002-03 school year. Delete a net amount of \$38 million in general school aids in 2002-03 related to this provision.

Conference Committee/Legislature: Provide that for revenue limit and general school aid membership purposes, pupils enrolled in a four-year-old kindergarten program who are not considered children with disabilities would be counted as 0.3 pupil, rather than 0.5 pupil as under current law. Specify that if a pupil is enrolled in a K4 program that provides at least 87.5 additional hours of outreach activities, the pupil would be counted as 0.4 pupil, rather than 0.6 pupil as under current law. Children with disabilities in a K4 program would continue to be counted as under current law.

Specify that the 0.2 reduction in the count of pupils not considered children with disabilities would be removed from all years of the three-year rolling average under revenue limits and that general school aid and property taxes attributable to that 0.2 pupil count would be excluded from base revenues in the 2002-03 revenue limit calculation.

Establish a revenue limit adjustment under which school districts could increase their local property tax levy in an amount equal to the 0.2 pupil reduction for pupils who are not considered children with disabilities multiplied by the district's allowable revenue per pupil. Exclude any revenues generated under this revenue limit adjustment from the definition of partial school revenues, so that those revenues would be excluded from the two-thirds funding calculation. Provide that the definition of shared cost would be modified to exclude costs attributable to the 0.2 pupil reduction adjustment, if school districts use their local property tax levy to fund the 0.2 pupil amount, beginning with general school aids eligibility in 2002-03.

Specify that these provisions would be effective in the 2002-03 school year. Delete a net amount of \$13.3 million in general school aids and \$700,000 in Milwaukee parental choice program funding in 2002-03 related to this provision. The fiscal effect of this provision is shown in the box above, and is reflected in the summary entry related to general school aids.

Veto by Governor [A-7]: Delete provision.

[Act 16 Vetoes Sections: 2749m, 2761d, 2761g, 2764m, 2779 (as it relates to the revenue limit increase for property taxes levied for certain K4 revenues), 2788m, 2798L, 9140(10f) and 9340(8h)]

10. REVENUE LIMIT ADJUSTMENT FOR LARGE AREA, LOW ENROLLMENT DISTRICTS

Senate/Legislature: Provide a recurring revenue limit adjustment for certain school districts. Specify that a district would be eligible for the adjustment if the district had an enrollment of fewer than 450 pupils in the prior school year and the district is at least 275 square miles in area. Provide that if a district lost up to 10% of its membership between September, 1996, and September, 2000, it would receive an adjustment of \$100,000. Provide that if a district lost between 10% and 20% of its membership between September, 1996, and September, 2000, it would receive an adjustment of \$175,000. Provide that if a district lost more than 20% of its membership between September, 1996, and September, 2000, it would receive an adjustment of \$250,000. Provide \$350,000 annually in general school aids to maintain two-thirds funding. It is anticipated that three districts (Laona, South Shore and Winter) would be eligible for this adjustment. The fiscal effect of this provision is shown in the box above, and is reflected in the summary entry related to general school aids.

GPR	\$700,000
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[Act 16 Section: 2798j]

11. REVENUE LIMIT ADJUSTMENT FOR INTEGRATION TRANSFER PROGRAM

Senate/Legislature: Provide a recurring revenue limit adjustment in the 2001-02, 2002-03 and 2003-04 school years to school districts that implemented an integration transfer program

between July 1, 1993, and the effective date of the bill. Specify that the adjustment in each year would be equal to one-third of the integration transfer aid program payment in 1994-95. Exclude the adjustment from the definition of partial school revenues for the purpose of determining the state's two-thirds funding goal.

The Wausau School District would be eligible for a revenue limit adjustment under this provision. The District began an intradistrict transfer program in the 1993-94 school year and received an initial payment of \$579,800 under the program in 1994-95. Thus, the revenue limit adjustment for 2001-02, 2002-03 and 2003-04 would be \$193,300.

[Act 16 Sections: 2779 and 2798g]

Categorical Aids

1. SPECIAL EDUCATION AIDS [LFB Paper 740]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$25,000,000	- \$25,000,000	\$0

Governor: Provide \$10,000,000 in 2001-02 and \$15,000,000 in 2002-03 for special education aids. Base funding of \$315,681,400 is currently appropriated for these aids. In addition, make the following changes related to special education aids.

Supplemental aid for high-cost pupils. Specify that local educational agencies (LEAs) would be eligible for supplemental special education aid beginning in the 2002-03 school year. This supplemental aid would be equal to 50% of prior year aidable special education costs in excess of \$50,000 for an individual pupil, after deduction of those costs otherwise aided from the categorical special education aids appropriation. Provide that the LEA submit a claim to DPI for supplemental special education aid no later than September 1 of the school year following the school year in which the costs were incurred. Specify that supplemental aid would be a first draw to be fully-funded from the special education aids appropriation, similar to costs for special education for children in hospitals and convalescent homes for orthopedically disabled students under current law. The remainder of the funding would continue to be distributed based on eligible special education costs incurred by an LEA in the prior year.

Census-based aid distribution. Require DPI to distribute a portion of funding from the special education aids appropriation on a "census basis." Require the following amounts of funding to be distributed according to this method: (a) \$10 million in the 2001-02 school year;

(b) 5% of the special education appropriation in the 2002-03 school year (\$16,534,100 under the bill); and (c) 10% of the special education appropriation in the 2003-04 school year and in each school year thereafter. Specify that those amounts be distributed according to the following formula: (a) 85% (\$8,500,000 in 2001-02 and \$14,054,000 in 2002-03 under the bill) by the proportion the eligible school district's membership or Milwaukee charter school's pupils is of the statewide total membership of eligible school districts and pupils attending charter schools, and (b) 15% (\$1,500,000 in 2001-02 and \$2,480,100 in 2002-03 under the bill) by the proportion the eligible school district's membership or charter school's pupils that are eligible for a free or reduced-price lunch is of the statewide total membership of eligible school districts and charter schools' pupils who are eligible for a free or reduced-price lunch. A school district or charter school would be eligible for this "census based" aid if it would receive special education aid under current law. The remainder of the funding would continue to be distributed based on eligible special education costs incurred by an LEA in the prior year.

Eligible uses of funding. Expand the allowable uses of state special education aid to include those purposes for which federal special education may be used, including the development and implementation of a coordinated services system and the design, implementation and evaluation of a school-based improvement plan.

Joint Finance: Delete \$10,000,000 in 2001-02 and \$15,000,000 in 2002-03 for special education aids. Provide \$3,333,300 in 2001-02 and \$5,000,000 in 2002-03 in general school aids to adjust two-thirds funding. The fiscal effect of the additional general school aids funding is reflected in the summary item for general school aids.

Supplemental aid for high-cost pupils. Delete provision. Instead, specify that if an LEA incurs special education costs for a pupil that equal or exceed three times the statewide average per pupil cost in the previous school year, as determined by DPI by rule, DPI would provide supplemental aid for those costs beginning in the 2002-03 school year. Provide that the supplemental aid would be equal to 90% of the following: the aidable costs for the special education pupil in the previous school year, less the amount of categorical aid paid for those costs, plus the additional costs (defined as nursing services and assistive technology) for that pupil in the prior year, less an amount equal to three times the statewide average per pupil cost in the previous school year. Specify that supplemental aid would be a first draw to be fully-funded from the special education aids appropriation. Require the LEA to submit a claim for supplemental aid to DPI no later than September 1 of the school year following the school year in which the costs were incurred. DPI estimates that approximately \$26 million in 2002-03 would be distributed under this high-cost special education provision.

Census-based aid distribution: Delete provision.

Eligible uses of funding: Delete provision.

Senate: Provide \$15,000,000 in 2002-03 for special education aid. Delete \$5,000,000 in 2002-03 in general school aids to adjust two-thirds funding.

Supplemental aid for high-cost pupils. Provide \$26,000,000 in 2002-03 in a newly-created appropriation for supplemental special education aid for high-cost pupils, using the same criteria for distribution of aid as adopted by Joint Finance. Delete \$8,666,700 in 2002-03 in general school aids to adjust two-thirds funding.

Conference Committee/Legislature: Maintain current law with respect to special education aids. (Base level funding would be maintained, and no supplemental aid would be provided for high-cost pupils.)

2. LEGISLATIVE COUNCIL STUDY OF SPECIAL EDUCATION ISSUES

Assembly: Request the Joint Legislative Council to conduct a study of issues in special education, including: (a) criteria to determine a pupil's need for special education services; (b) the extent of the problem of providing special education services to violent pupils and recommendations on how to address the problem; (c) the availability of alternative regular education programs that might be more appropriate for pupils currently enrolled in special education programs; (d) the impact of statewide standardized tests on referrals to special education; (e) current training of special education teachers; and (f) whether it is possible to recover a larger percentage of federal medical assistance funds for the provision of special education services. Require that, if the Council conducts the study, it report its findings, conclusions and recommendations to the Legislature by June 30, 2003.

Conference Committee/Legislature: Modify provision to include special education funding in the list of issues to be studied.

Veto by Governor [A-11]: Delete provision.

[Act 16 Vetoes Section: 9140(10fm)]

3. UNIVERSITY OF WISCONSIN SPECIAL EDUCATION STUDY

Assembly/Legislature: Require the Board of Regents to direct the School of Education at UW-Madison and the Department of Neurology of the UW-Madison School of Medicine to study methods of identifying special education students with dyslexia and irlen syndrome and methods of remediation. Require DPI to distribute a summary of the study to each school district.

Veto by Governor [A-12]: Delete provision.

[Act 16 Vetoes Sections: 1351zb and 2638m]

4. SAGE PROGRAM [LFB Paper 741]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$22,014,000	\$31,436,000	\$53,450,000

Governor: Provide \$6,588,000 in 2001-02 and \$15,426,000 in 2002-03 above the base level of \$58,754,600 for the student achievement guarantee in education (SAGE) program. An additional \$125,000 in 2002-03 would be provided for the annual SAGE evaluation, but would be transferred to the proposed Board of Education Evaluation and Accountability. For more information on this transfer, see "Public Instruction -- Assessments and Licensing."

Modify the SAGE program in the following manner:

Eliminate program sunset. Delete the sunset provision that prohibits DPI from entering into SAGE contracts after June 30, 2001, as well as the provisions prohibiting the encumbrance of funds from the SAGE supplement appropriation after June 30, 2003, and from the primary SAGE appropriation after June 30, 2005.

Renewal contracts. Allow DPI to enter into renewal contracts for one or more terms of five school years for any current SAGE school. As a condition of receiving payments under a renewal of a SAGE contract, a school board would be required to maintain the reduction of class size achieved during the last school year of the original SAGE contract for the grades specified for the last school year of the contract.

2000-01 Contracts -- Under 50% Low-Income Pupils. For SAGE contracts that begin in 2000-01 on behalf of schools whose low-income pupil enrollment was less than 50% in 2000-01, the current requirement that class size be reduced for second and then third grade, and the aid associated with those low-income pupils, would be eliminated. Instead, specify that the reduced class size achieved during 2000-01 for at least kindergarten and grade one would be maintained for 2001-02 through 2004-05.

2000-01 Contracts -- At Least 50% Low-Income Pupils. For contracts that begin in 2000-01 on behalf of schools whose low-income pupil enrollment was at least 50% in 2000-01, the required reduction in class size would remain unchanged from current law.

Under current law, school districts must do all of the following in each SAGE school: (a) reduce each class size in the applicable grades to 15 pupils; (b) keep the school open every day for extended hours and collaborate with community organizations to make educational and recreational opportunities as well as community and social services available in the school to all district residents; (c) provide a rigorous academic curriculum designed to improve academic achievement; and (d) create staff development and accountability programs that provide training for new staff members, encourage employee collaboration and require professional

development plans and performance evaluations. Aid equals \$2,000 per low-income pupil in eligible grades.

Joint Finance/Legislature: Provide \$10,587,000 in 2001-02 and \$20,849,000 in 2002-03 to fully fund class size reduction in all current SAGE schools in kindergarten through grade three. Delete the provisions that would have limited SAGE payments for second and then third grade for schools with under 50% low-income pupils. Reduce general school aids by \$3,529,000 in 2001-02 and \$6,949,700 in 2002-03 to adjust two-thirds funding of partial school revenues. The fiscal effect of the reduction to general school aids funding is shown in the summary item for general school aids.

[Act 16 Sections: 549, 550, 2729, 2730, 2734 and 2735]

5. SAGE DEBT SERVICE AID

GPR	- \$5,400,000
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Governor/Legislature: Reduce funding by \$2,700,000 annually from the adjusted base level of \$3,000,000. After this reduction, \$300,000 of annual funding would be available under this program to reimburse school districts, except MPS, for 20% of debt service costs associated with SAGE building projects approved by referendum and by DPI prior to June 30, 2001.

6. SAGE EVALUATION MODIFICATIONS [LFB Paper 741]

Governor: Reduce the current allocation from the SAGE appropriation from \$250,000 to \$125,000 for an annual evaluation of the SAGE program. Require DPI to select an evaluator by using a competitive process to ensure an impartial evaluation.

Joint Finance/Legislature: Delete provision.

7. TUITION PAYMENTS [LFB Paper 742]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Legislature (Chg. to JFC)	Net Change
GPR	\$1,797,500	- \$1,494,100	\$1,494,100	\$1,797,500

Governor: Provide \$430,100 in 2001-02 and \$1,367,400 in 2002-03 for state tuition payments. Base funding of \$8,373,600 is currently appropriated for these payments. Of this funding, \$430,100 in 2001-02 and \$1,064,000 in 2002-03 would be for anticipated increases in current law tuition payments made by the state for the cost of educating children who live in properties for which there is no parental property tax base support. The additional \$303,400 in 2002-03 would fund the cost of expanding the required payments under the appropriation, beginning in 2002-03, to include tuition payments for pupils with a disability who live in a foster home, treatment

foster home or group home, if at least 4% of the pupils enrolled in the school district reside in foster homes, treatment foster homes or group homes that are not exempt from property taxes. Specify that the annual payments for these pupils would be the special annual tuition rate only, which is the sum of instructional and specified services costs unique to that program divided by the average daily membership of all pupils enrolled in the program, including those for whom tuition is paid.

Joint Finance: Delete \$430,100 in 2001-02 and \$1,064,000 in 2002-03 for anticipated increases in current law tuition payments made by the state. Provide \$143,400 in 2001-02 and \$354,700 in 2002-03 in general school aids to adjust two-thirds funding. The fiscal effect of the additional general school aids funding is reflected in the summary item for general school aids.

Assembly/Legislature: Provide \$430,100 in 2001-02 and \$1,064,000 in 2002-03 for anticipated increases in current law tuition payments made by the state. Delete \$143,400 in 2001-02 and \$354,700 in 2002-03 from general school aids to adjust two-thirds funding. The fiscal effect of the reduction in general school aids funding is reflected in the summary item for general school aids.

[Act 16 Sections: 2780 thru 2782 and 9340(2)]

8. BILINGUAL-BICULTURAL EDUCATIONAL AIDS [LFB Paper 743]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,500,000	- \$1,500,000	\$0

Governor: Provide \$500,000 in 2001-02 and \$1,000,000 in 2002-03 for bilingual-bicultural educational aids. Base funding is \$8,291,400.

Joint Finance/Legislature: Delete \$500,000 in 2001-02 and \$1,000,000 in 2002-03 for bilingual-bicultural aids. Provide \$166,700 in 2001-02 and \$333,300 in 2002-03 in general school aids to adjust two-thirds funding. The fiscal effect of the additional general school aids funding is reflected in the summary item for general school aids.

9. SCHOOL DISTRICT CHARTER SCHOOL DEVELOPMENT LOANS [LFB Paper 744]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,000,000	- \$1,000,000	\$0

Governor: Provide \$1,000,000 GPR in 2002-03 in a newly created continuing appropriation and require the State Superintendent to allocate \$1,000,000 FED in 2002-03 for charter school development loans to school districts. Create a continuing appropriation for

charter school development loan repayments that would receive repayments and loan them out again. Authorize the loans to be used for capital expenditures, staff or curriculum development, or other costs of starting a charter school. Specify that the term of a loan under this provision would be five years and require the State Superintendent to specify the annual repayment amount.

Joint Finance/Legislature: Delete provision. To maintain two-thirds funding, general aids would increase by \$333,300 in 2002-03 compared to the bill. The fiscal effect of the additional general school aids funding is reflected in the summary item for general school aids.

10. GRANTS TO COOPERATIVE EDUCATIONAL SERVICE AGENCIES [LFB Paper 745]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$850,000	- \$850,000	\$0

Governor: Provide \$850,000 in 2002-03 for grants to cooperative educational service agencies (CESAs) to develop non-instructional educational services for school districts. Allow an individual CESA or a consortium of two or more CESAs to apply for these grants. Require that a CESA or consortium of CESAs provide matching funds equal to at least 50 percent of the grant amount. Specify that a grant may not exceed \$300,000. Require DPI to promulgate rules to implement and administer the grants.

Joint Finance/Legislature: Delete provision. Provide \$283,300 in 2002-03 in general school aids to adjust two-thirds funding. The fiscal effect of the additional general school aids funding is reflected in the summary item for general school aids.

11. DRIVER'S EDUCATION AID

GPR	- \$337,100
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Governor: Reduce funding by \$148,100 in 2001-02 and \$189,000 in 2002-03 from a base level of \$4,493,700 for school districts that operate driver education courses. The program pays school districts \$100 for each pupil who completes both the classroom and behind-the-wheel portions of the drivers education program. The funding reductions reflect projections that total claims will decline in the 2001-03 biennium.

Assembly: Delete \$500,000 annually for driver education payments. Provide \$166,700 annually in general school aids to adjust two-thirds funding.

Legislature: Include Governor's provision.

GPR	\$330,800
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12. AID TO COUNTY CHILDREN WITH DISABILITIES EDUCATION BOARDS

Senate/Legislature: Provide \$116,000 in 2001-02 and \$214,800 in 2002-03 for aid to county children with disabilities boards (CCDEBs). Delete \$38,700 in 2001-02 and \$71,600 in 2002-03 in general school aids to adjust two-thirds funding. Base funding of \$4,000,000 is currently appropriated for aid to CCDEBs. The fiscal effect of the reduction in general school aids funding is reflected in the summary item for general school aids.

13. SCHOOL BREAKFAST

GPR	\$326,600
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Senate/Legislature: Provide \$163,300 annually above base level funding of \$892,100 for the school breakfast program. Delete \$54,400 annually of general school aids funding to adjust two-thirds funding of partial school revenues. The fiscal effect of the reduction to general school aids funding is reflected in the summary item for general school aids.

14. GRANTS FOR CONSOLIDATION AND COORDINATION STUDIES [LFB Paper 745]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$50,000	- \$50,000	\$0

Governor: Provide \$50,000 in 2002-03 for grants to school districts to study consolidation or coordination. Specify that the grants be awarded to two or more school districts that are considering consolidating or coordinating the provision of educational services for the purpose of studying the feasibility of the consolidation or coordination. Require DPI to promulgate rules to implement and administer the grants.

Joint Finance/Legislature: Delete provision. Provide \$16,700 in 2002-03 in general school aids to adjust two-thirds funding. The fiscal effect of the additional general school aids funding is reflected in the summary item for general school aids.

15. SCHOOL LIBRARY AID REESTIMATE

SEG	\$12,100,000
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Governor/Legislature: Provide \$5,300,000 in 2001-02 and \$6,800,000 in 2002-03 as a reestimate of the amount of income from the common school fund that will be available to distribute to school libraries.

16. SCHOOL LIBRARY AID NOTIFICATION

Governor/Legislature: Clarify that the notice of the amount of school library aid to be received in the current school year given by the State Superintendent to school districts is made by January 10 annually and that the notice is an estimate. Clarify that DOA is no longer required to issue its warrants within 15 days after receiving such notice from the State Superintendent. Specify that the actual amount paid to each district would be based upon the amount of common school fund income available on April 15 annually. Require that the aid must be distributed by the state treasurer to each school district in one payment on or before May 1 annually. Current law requires the payment be made on or before June 30 annually.

[Act 16 Sections: 1408 and 1409]

17. ENERGY ASSISTANCE GRANTS TO SCHOOL DISTRICTS

Assembly: Provide \$5,000,000 SEG in 2001-02 from the utility public benefits fund in a DOA appropriation for energy assistance grants to school districts. Require DOA to award grants to eligible school districts to help defray high energy costs. Specify that, to be eligible for a grant, a school board must adopt a resolution requesting a grant and submit the resolution, together with any other information DOA requires, to the Department. Specify that the amount of the grant be determined by dividing the \$5,000,000 by the total 2000-01 membership of all eligible school districts and multiplying that result by the school district's 2000-01 membership.

Require DOA to award the grants by December 1, 2001, or by the first day of the 3rd month beginning after the effective date of the bill, whichever is later. Provide that a school districts may use the funds for any purpose other than the salary or benefits of any school district employee. Prohibit any funds from being encumbered from the appropriation after June 30, 2002.

Conference Committee/Legislature: Delete provision.

18. SPECIAL COUNSELOR GRANT PROGRAM

PR	\$50,000
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Joint Finance/Legislature: Provide \$50,000 PR in 2001-02 from tribal gaming revenues for a special counselor grant program. Create an annual appropriation under DPI for this purpose. Require DPI to award grants to school districts, CESAs, consortia consisting of two or more school districts or CESAs, or an educational organization that serves pupils in any grade from kindergarten to 12, if the school district, CESA, or educational organization serves American Indian pupils or borders on an American Indian reservation, for the purpose of employing counselors to help American Indian pupils adjust to the school districts in which they are enrolled. Reduce funding for general school aids by \$16,700 GPR in 2001-02 in order to adjust

two-thirds funding of partial school revenues. The fiscal effect of the reduced general school aids funding is reflected in the summary item for general school aids.

[Act 16 Sections: 559m, 887r and 2625m]

19. ALTERNATIVE SCHOOL FOR AMERICAN INDIAN LANGUAGE AND CULTURE

PR	\$34,000
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Governor/Legislature: Provide \$17,000 annually above a base level of \$203,000 to reflect an increase in projected pupils eligible for reimbursement under this program. Each alternative school operating an American Indian language and culture education program receives state aid in an amount equal to \$200 for each pupil who has completed the fall semester in the program. If funding is insufficient, payments are to be prorated. Funding for this program comes from Indian gaming compact receipts.

[Act 16 Section: 560]

20. WISCONSIN MORNING MILK PROGRAM

Senate: Provide \$570,000 annually for the Wisconsin morning milk program, which has base funding of \$710,600 in 2000-01. This program provides Wisconsin produced milk each day to pupils enrolled in kindergarten to grade five who are eligible for free or reduced-price lunches. Delete \$190,000 annually from general school aids to adjust two-thirds funding.

Assembly/Legislature: Rename the morning milk program the school day milk program. Require that in order to be eligible to receive a beverage under the program, the child must not receive the beverage during the school's breakfast or lunch period. This provision would first apply to aid paid to school districts in 2002-03.

[Act 16 Sections: 548m, 2640g, 2640h and 9340(7x)]

21. WISCONSIN BOOK FESTIVAL FROM ALTERNATIVE EDUCATION GRANTS

Assembly/Legislature: Allocate \$50,000 in 2001-02 to the Wisconsin Humanities Council to organize and plan the Wisconsin Book Festival, which would highlight state authors, encourage young authors, and promote literacy. Require DPI to fund the grant to the Wisconsin Humanities Council from the alternative education grant program, which is an annual \$5,000,000 GPR categorical aid.

[Act 16 Section: 9140(5w)]

22. SUPPLEMENTAL AID

Senate/Legislature: Modify eligibility for the supplemental aid categorical appropriation to increase the threshold for tax-exempt property in a school district to 80% and specify that property enrolled in the forest crop land program count toward the threshold. Specify that this change would first apply to tax assessments as of the January 1 immediately preceding Act 16's effective date. Under current law, base funding of \$125,000 GPR is appropriated annually for supplemental aid payments of \$350 per pupil to school districts that: (a) had an enrollment of fewer than 500 pupils in the previous school year; (b) are at least 200 square miles in area; and (c) have at least 65% of the real property in the school district exempt from property taxation, owned or held in trust by a federally recognized American Indian tribe or owned by the federal government. It is anticipated that the Laona School District would qualify for aid under this provision.

[Act 16 Sections: 2657m and 9340(12d)]

Choice, Charter and Open Enrollment

1. MILWAUKEE PARENTAL CHOICE PROGRAM REESTIMATE

GPR	\$27,469,200
GPR-Lapse	\$27,469,200

Governor/Legislature: Provide \$8,908,600 in 2001-02 and \$18,560,600 in 2002-03 over the base year funding of \$49,771,100 for the Milwaukee parental choice program. Under the bill, \$58,679,700 in 2001-02 and \$68,331,700 in 2002-03 would be appropriated for the choice program. Under the provisions of the bill, DOA staff estimate that 10,580 students in 2001-02 and 11,850 students in 2002-03 will participate in the program, with per pupil payments under the program equal to \$5,546 in 2001-02 and \$5,766 in 2002-03.

For each pupil attending a Milwaukee choice school, the state pays the parent or guardian an amount that is equal to the lesser of: (a) the private school's operating and debt service cost per pupil related to educational programming, as determined by DPI; or (b) the amount paid per pupil in the previous school year plus the amount of the per pupil revenue limit increase provided to public school districts under revenue limits in the current year.

2. MILWAUKEE PARENTAL CHOICE PROGRAM STUDENT ELIGIBILITY [LFB Paper 750]

Governor: Provide that a pupil who is a member of a family that has a total family income that does not exceed 185 percent of the federal poverty level, rather than the current law 175 percent, would be eligible to participate in the Milwaukee parental choice program.

Provide that a pupil who attends a choice school is eligible to attend a choice school in succeeding school years even if the pupil's family no longer meets the family income criteria.

Specify that these changes would first apply to pupils who apply to participate in the program in the 2002-03 school year.

Joint Finance: Delete provision.

Assembly: Restore provision.

Conference Committee/Legislature: Delete provision.

3. MILWAUKEE PARENTAL CHOICE PROGRAM SCHOOL ELIGIBILITY

Governor: Specify that a private school located outside of the City of Milwaukee that is situated on property of which a portion is located in the City would be eligible to participate in the Milwaukee parental choice program. Specify that this change would first apply to private schools that intend to participate in the program in the 2002-03 school year. Under current law, the private school must be located in the City to participate. (A technical correction would be necessary to achieve the intent of the bill.)

Joint Finance: Delete provision.

Assembly: Specify that schools located in Milwaukee County, rather than only the City of Milwaukee, that meet eligibility criteria could accept students in the choice program.

Conference Committee/Legislature: Delete provision.

4. MILWAUKEE PARENTAL CHOICE PROGRAM -- AID REDUCTION AND LEVY OFFSET [LFB Paper 753]

Senate: Eliminate the reduction from the general school aids appropriation in an amount equal to the estimated payments made from the Milwaukee parental choice program appropriation. As a result, the choice lapse of an estimated \$58.7 million in 2001-02 and \$68.3 million in 2002-03 would be deleted. Also, as a result of eliminating the choice reduction, there would be no choice levy offset, and general

GPR	- \$84,700,000
GPR-Lapse	- \$69,900,000
Net GPR Chg.	- \$14,800,000

school aids would decrease by two-thirds of the choice reduction amount. Thus, general school aids funding would be reduced by \$39.1 million in 2001-02 and \$45.6 million in 2002-03.

The net effect of this provision on the general fund would be an increase in expenditures of \$19.6 million in 2001-02 and \$22.7 million in 2002-03.

Conference Committee/Legislature: Modify current law to: (a) delete the general school aid reduction for the choice program for non-MPS districts; (b) specify that the equalization aid received by MPS would be reduced by an amount equal to 45% of the estimated cost of the choice program; and (c) specify that the amount levied by MPS to offset the choice reduction would not be counted in partial school revenues. As a result, the lapse related to the choice program would be \$26.4 million in 2001-02 and \$30.7 million in 2002-03 (rather than \$58.7 million in 2001-02 and \$68.3 million in 2002-03 under Joint Finance). Also, as a result of reducing the aid reduction and not including the offsetting levy in partial school revenues, general school aids funding would be reduced by \$39.1 million in 2001-02 and \$45.6 million in 2002-03.

The net effect of this provision on the general fund would be a reduction in expenditures of \$6.8 million in 2001-02 and \$8.0 million in 2002-03.

[Act 16 Sections: 2767h thru 2767Lm and 2779]

5. MILWAUKEE PARENTAL CHOICE PROGRAM HOLD HARMLESS PAYMENTS

Assembly: Provide \$3,200,000 GPR in 2001-02 and \$3,800,000 GPR in 2002-03 in a sum-sufficient appropriation for hold harmless payments to certain school districts related to the distribution of general school aids related to the Milwaukee parental choice program. Specify that a school district would receive a payment if the amount by which a school district's general school aid is reduced for the choice program is greater than the amount of additional aid the school district receives as a result of the increased statewide property tax levy that results from the aid reduction. Provide that MPS would not be eligible for these payments. Specify that the payment appropriation would be excluded from the definitions of state school aids and partial school revenues for purposes of calculating two-thirds funding, but would be included as aid under revenue limits. Require DPI to inform school districts that receive an aid payment that it is a hold harmless payment related to the choice program and to inform districts of the aid reduction, aid gain and hold harmless payment, if any, relating to the choice program.

Under current law, the choice program is funded from a separate GPR sum sufficient appropriation established for that purpose, which is statutorily excluded from the definitions of state school aids and partial school revenues for purposes of calculating two-thirds funding. The cost of the payments from the choice appropriation is offset by a reduction in aid payments from the general school aids appropriation. This reduction is made by reducing the general school aids for which MPS is eligible by one-half of the reduction, while the general school aids

for which the other 425 school districts are eligible to be paid is reduced proportionately by an amount totaling the other half. A school district's revenue limit calculation is not affected by the choice reduction. Thus, a school district can increase its property tax levy to offset any aid reduction made related to the choice program. Because this property tax levy is included in partial school revenues under the two-thirds funding calculation, total funding for general school aids is increased by two-thirds of the amount of the choice lapse, which partially offsets the statewide reduction amount.

In 2000-01, general school aids statewide were subject to a reduction of \$49.0 million for the choice program. MPS's general school aids were reduced by \$24.5 million, while the other 425 districts' aids were reduced proportionately by a total of \$24.5 million. Although the reduction totaled \$49.0 million, the net aid decrease statewide was \$16.3 million, because funding for general school aids in 2000-01 was increased by \$32.7 million more than would otherwise have been the case because of the projected \$49.0 million initial increase in the statewide levy. As a result of the current choice funding arrangement, MPS received \$22.1 million less in aid, 187 districts received \$8.5 million more in aid, and 237 districts (excluding MPS) received \$2.7 million less in aid. Had this provision been in effect in 2000-01, these 237 districts would have received payments totaling \$2.7 million.

Conference Committee/Legislature: Delete provision.

6. MILWAUKEE PARENTAL CHOICE PROGRAM PAYMENT AMOUNT

Senate: Specify that the per pupil payment under the program in 2001-02 would equal \$2,776. Specify that, beginning in 2001-02, the per pupil choice payment would continue to be increased by the per pupil adjustment provided to school districts under revenue limits. Delete \$29.3 million GPR in 2001-02 and \$32.7 million GPR in 2002-03 in the choice program appropriation as a result of this change. Under Joint Finance provisions, the per pupil payment would be \$5,552 in 2001-02 and \$5,784 in 2002-03.

Conference Committee/Legislature: Delete provision.

7. MILWAUKEE PARENTAL CHOICE PROGRAM LIMIT ON PARTICIPATION

Senate: Limit participation in the choice program to 10,580 pupils beginning in school year 2002-03, which is the estimated number of pupils that would attend choice schools in 2001-02 under current law. Consistent with the other Senate provisions related to the choice aid reduction, levy offset and per pupil amount, delete \$3.8 million GPR in 2002-03 in the choice program appropriation as a result of this change. Under current law, no more than 15% of the MPS membership, or approximately 15,100 pupils in 2000-01, can attend private schools under the program.

Assembly: Delete the current law provision limiting overall participation in the Milwaukee parental choice program to no more than 15% of the MPS membership.

Conference Committee/Legislature: Delete provisions.

8. MILWAUKEE PARENTAL CHOICE PROGRAM AND SUMMER SCHOOL PAYMENT

GPR	- \$500,000
GPR-Lapse	- 225,000
Net GPR Chg.	- \$275,000

Senate: Specify that the per pupil payment amount under the choice program would be multiplied by 40% for payments to parents for pupils attending summer school classes at a choice school beginning in 2002-03. Consistent with the other Senate provisions related to the choice aid reduction, levy offset and per pupil amount, delete \$0.2 million in 2002-03 in the choice program appropriation as a result of this change. Under current law, DPI pays the parent or guardian of a pupil enrolled in a choice school for summer classroom or laboratory periods for necessary academic purposes. The payment is determined by dividing the FTE summer choice membership by the number of pupils attending summer programs, and multiplying that result by the per pupil payment amount under the choice program. In 2000-01, 133 FTE pupils attended summer school at a choice school.

Conference Committee/Legislature: Adopt Senate provision related to the choice summer school payment. Consistent with the other Conference Committee provisions related to the choice aid reduction and levy offset, delete \$500,000 in 2002-03 from the choice program appropriation as a result of this change and reduce the estimated MPS aid reduction by \$225,000 in 2002-03. The net effect of this item on the general fund would be a reduction in expenditures of \$275,000 in 2002-03.

[Act 16 Sections: 2752r and 9440(2m)]

9. MILWAUKEE PARENTAL CHOICE PROGRAM ADMINISTRATIVE DATES AND NOTIFICATIONS

Governor: Modify the current law date by which a private school is required to notify the State Superintendent of its intent to participate in the Milwaukee parental choice program to be February 1, rather than May 1, of the previous school year.

Provide that, if DPI receives a notice of intent to participate from a private school, DPI must notify the private school of whether it is eligible to participate in the choice program by March 1. If DPI determines that the private school is ineligible to participate, require the DPI notification to include an explanation of that determination. Allow a private school to appeal the decision to DPI within 14 days after the decision. Require DPI to approve, reverse or modify its decision within seven days of receiving an appeal.

Require the State Superintendent to publish, by May 15, a list of the private schools that DPI has determined to be eligible to participate in the choice program in the succeeding school year. Current law requires the State Superintendent to ensure that parents and guardians of pupils who reside in the City of Milwaukee be informed annually of private schools participating in the choice program, without specifics as to timing or what information is to be provided.

Require a private school that intends to participate in the choice program in the current school year to submit to DPI by August 1 of that year a report stating the number of pupils that will attend the private school under the choice program in the current year.

Require a private school participating in the choice program to file its summer membership report to DPI by September 1, rather than October 15 as under current law.

Specify that these changes would first apply to pupils and private schools that intend to participate in the program in the 2002-03 school year.

Joint Finance: Delete provisions as non-fiscal policy.

Assembly: Modify the current law date by which a private school is required to notify the State Superintendent of its intent to participate in the Milwaukee parental choice program to be February 1, rather than May 1, of the previous school year.

Provide that, if DPI receives a notice of intent to participate from a private school, DPI must notify the private school of whether it is eligible to participate in the choice program by March 1. If DPI determines that the private school is ineligible to participate, require the DPI notification to include an explanation of that determination. Allow a private school to appeal the decision to DPI within 14 days after the decision. Require DPI to approve, reverse or modify its decision within seven days of receiving an appeal. Allow a private school to appeal DPI's decision to the Milwaukee County Circuit Court. Require the Court to give preference to the action and conduct a full trial on the merits.

Specify that these changes would first apply to pupils and private schools that intend to participate in the program in the 2002-03 school year.

Conference Committee/Legislature: Include only the provision to change the notification date for private schools to participate in the choice program to February 1, rather than May 1, which would first apply to private schools that intend to participate in the program in the 2002-03 school year.

[Act 16 Sections: 2748i and 9340(1k)]

10. LEGISLATIVE AUDIT BUREAU STUDY OF THE MILWAUKEE PARENTAL CHOICE PROGRAM

Assembly: Require the Legislative Audit Bureau to administer a twelve-year longitudinal study of the Milwaukee parental choice program. Require the Bureau to seek private sources of funding for the study. Provide 1.0 PR position at the Bureau to monitor the study. Require the study to use standardized examinations and review graduation rates and other indicators of academic achievement. Require the results of the study to be submitted to the Legislature periodically over the twelve-year period, with the first report to be released no later than October 15, 2003.

Conference Committee/Legislature: Delete provision.

11. MILWAUKEE PARENTAL CHOICE PROGRAM AND CHARTER SCHOOLS -- NONDISCRIMINATION, STANDARDS AND ASSESSMENTS

Senate: Move to specify that schools participating in the Milwaukee parental choice program (MPCP) and charter schools must comply with the same pupil nondiscrimination statutory requirements as public schools. Require MPCP schools and charter schools to develop written policies and procedures to implement the nondiscrimination policies and submit them to the State Superintendent. Require that the policies and procedures provide for receiving and investigating complaints regarding possible violations of policies, for making determinations as to whether the policies have been violated and for ensuring compliance with the policies. Require that any person who receives a determination against his or her complaint may appeal the determination to the State Superintendent. Specify that information on compliance of charter schools and MPCP schools with the nondiscrimination statutory requirements be included in DPI's biennial report. Specify that the State Superintendent periodically review charter school and MPCP school programs, activities and services to determine whether these schools are complying with the nondiscrimination statutory requirements, and assist these schools with compliance by providing information and technical assistance upon request. Specify that charter school and MPCP school officials, employees and teachers who intentionally engage in discriminatory conduct in violation of the statutory requirements be required to forfeit not more than \$1,000.

Delete current language, made duplicative by this provision, which prohibits charter schools from discriminating in admission or denying participation in any program or activity on the basis of a person's sex, race, religion, national origin, ancestry, pregnancy, marital or parental status, sexual orientation or physical, mental, emotional or learning disability.

Clarify current language to reflect that the Governor issued pupil academic standards as Executive Order no. 326, dated January 13, 1998.

Require that MPCP schools adopt, by January 1, 2002, or by January 1 of the first school year in which the school participates in MPCP, whichever is later, pupil academic standards in mathematics, science, reading and writing, geography and history. Specify that the schools may adopt the pupil academic standards issued by the Governor as Executive Order no. 326, dated January 13, 1998.

Require that MPCP schools administer to 3rd grade MPCP pupils the 3rd grade reading comprehension test developed by DPI.

Require that MPCP schools that operate high school grades adopt a high school graduation test that is designed to measure whether pupils meet the pupil academic standards adopted by the school. Require the test to be administered at least twice annually to all MPCP pupils attending the 11th and 12th grades and only those grades at the school, beginning at the time public schools must do this. If the MPCP school has adopted the pupil academic standards issued as executive order no. 326, dated January 13, 1998, then allow the school to adopt the high school graduation test developed by DPI. If the MPCP school develops and adopts its own high school graduation test, require that it notify DPI annually by October 1 that it intends to administer the test in the following school year.

Require that each MPCP school must develop a policy specifying the criteria for granting a high school diploma to MPCP pupils, beginning at the time public schools must do this. The criteria must include the pupil's score on a high school graduation exam adopted by the school, the pupil's academic performance and the recommendations of teachers. Require that MPCP schools may not grant a high school diploma to any MPCP pupil unless the pupil has satisfied the criteria specified by the policy developed by the school, beginning at the time public schools must do this.

Require that each MPCP school operating the appropriate grades develop or adopt and annually administer an examination designed to measure pupil attainment of knowledge and concepts in the 4th, 8th and 10th grades. If the MPCP school develops or adopts its own 4th or 8th grade examination, then require the school to notify DPI. If the MPCP school has developed or adopted its own 4th or 8th grade exams, require the school to administer the exams to the MPCP pupils attending those grades. If the MPCP school has not developed or adopted its own 4th or 8th grade exams, require the school administer the exams approved by the State Superintendent to the MPCP pupils attending those grades. Beginning on July 1, 2002, require MPCP schools to provide a pupil with at least two opportunities to take the exams adopted by the school.

Require that each MPCP school adopt a written policy specifying criteria for promoting MPCP pupils from the 4th grade to the 5th grade and from the 8th grade to the 9th grade. Require that the criteria include the pupil's score on the 4th or 8th grade exam adopted by the school, unless the pupil has been excused from taking the exam by a parent or guardian; the pupil's academic performance; the recommendations of teachers, which must be based solely on the

pupil's academic performance; and any other academic criteria specified by the school. Require that beginning on September 1, 2002, an MPCP school could not promote a 4th grade MPCP pupil to the 5th grade, and could not promote an 8th grade MPCP pupil to the 9th grade, unless the pupil satisfies the criteria for promotion specified by the school.

Require MPCP schools to comply with the same statutory requirements as public and charter schools with regard to including pupils with disabilities in statewide and local educational agency-wide assessments, with appropriate modifications where necessary, or in alternative assessments for those pupils who cannot participate in the statewide or local educational agency-wide assessments.

Specify that MPCP schools, in addition to public and charter schools as specified under current law, may determine not to administer an exam to a limited-English proficient pupil, as defined in statute, may permit the pupil to be examined in his or her native language, or may modify the format and administration of an exam to such pupils.

Require MPCP schools to excuse a pupil from taking a 4th, 8th, 10th or high school graduation exam upon the request of the pupil's parent or guardian.

Specify that MPCP schools, in addition to public and charter schools as specified under current law, are not required to administer the 4th and 8th grade exams approved by the State Superintendent if the school administers its own 4th and 8th grade exams and provides the State Superintendent with statistical correlations of those exams approved by the State Superintendent, and the U.S. Department of Education approves.

Require charter schools to permit public inspection and copying of any record, as defined in statute, of the school to the same extent as is required of and subject to the same terms and enforcement provisions that apply to, an authority under the statutes governing public records and property. Require charter schools to provide public access to meetings of the governing body of the charter school to the same extent as is required of and subject to the same terms and enforcement provisions that apply to governmental bodies under the statutes governing open meetings of governmental bodies.

Require MPCP schools to permit public inspection and copying of any record, as defined in statute, of the school to the same extent as is required of and subject to the same terms and enforcement provisions that apply to, an authority under the statutes governing public records and property. Require MPCP schools to provide public access to meetings of the governing body of the MPCP school to the same extent as is required of and subject to the same terms and enforcement provisions that apply to, governmental bodies under the statutes governing open meetings of governmental bodies.

Conference Committee/Legislature: Delete provision.

12. MILWAUKEE CHARTER SCHOOL PROGRAM RE-ESTIMATE

GPR	\$8,403,900
GPR-Lapse	\$8,403,900

Governor/Legislature: Provide \$1,762,600 in 2001-02 and \$6,641,300 in 2002-03 over the base year funding of \$11,666,000 for the Milwaukee charter school program. Under the bill, \$13,428,600 in 2001-02 and \$18,723,400 in 2002-03 would be appropriated for the program, including \$416,100 in 2002-03 for summer school aid shown in the next item. Under the provisions of the bill, DOA staff estimate that 2,000 students in 2001-02 and 2,700 students in 2002-03 will participate in the program, with per pupil payments under the program equal to \$6,714 in 2001-02 and \$6,935 in 2002-03.

For each pupil attending a Milwaukee charter school, the state pays the chartering entity, which can be the UW-Milwaukee, City of Milwaukee or the Milwaukee Area Technical College, the amount paid per pupil in the previous school year plus the amount of the per pupil revenue limit increase provided to school districts under revenue limits in the current year. The estimated cost of the payments from the Milwaukee charter school program appropriation is offset by a lapse from the general school aid appropriation to the general fund in an amount equal to the estimated payments under the program. DPI is required to reduce the general school aids for which the 426 school districts are eligible to be paid proportionately by the lapse amount.

13. MILWAUKEE CHARTER SCHOOL PROGRAM -- PAYMENT AMOUNT

Senate: Specify that the per pupil payment under the charter program in 2001-02 would equal to MPS' 2000-01 equalization aid eligibility per member, which is \$5,529. Beginning in 2002-03, specify that the per pupil charter payment would continue to be increased by the per pupil adjustment provided to school districts under revenue limits, so that the payment would be \$5,761 per pupil in 2002-03. As a result of reducing the per pupil charter payment, the estimated cost of the charter appropriation would be reduced by \$2.4 million in 2001-02 and \$3.1 million in 2002-03. Under the Joint Finance provisions, the per pupil payment would be \$6,720 in 2001-02 and \$6,952 in 2002-03. It is estimated that, under current law, 2,000 pupils in 2001-02 and 2,700 pupils in 2002-03 would attend these charter schools.

Conference Committee/Legislature: Delete provision.

14. MILWAUKEE CHARTER SCHOOL PROGRAM -- AID REDUCTION AND LEVY OFFSET

Senate: Eliminate the reduction from the general school aids appropriation in an amount equal to the estimated payments made from the Milwaukee charter school program appropriation. As a result, the charter lapse of \$13.4 million in 2001-02 and \$18.3 million in

2002-03 would be deleted. Also, as a result of eliminating the charter reduction, there would be no charter levy offset, and general school aids would decrease by two-thirds of the charter reduction amount. Thus, general school aids funding would be reduced by \$9.0 million in 2001-02 and \$12.2 million in 2002-03.

The net effect of this item on the general fund would be an increase in expenditures of \$4.4 million in 2001-02 and \$6.1 million in 2002-03.

Conference Committee/Legislature: Delete provision.

15. EXPAND MILWAUKEE CHARTER SCHOOL PROGRAM

Governor: Authorize the City of Milwaukee, the chancellor of any baccalaureate or graduate degree granting institution within the UW System, any technical college district board, and the Board of Control of any CESA to operate or contract to operate a school as a charter school within any school district. Specify that in order to attend the charter school, pupils would have to reside within the district in which the charter school is located, except that if the charter school is established or operated by a CESA, a pupil who resides in any school district served by the CESA may attend the charter school. State aid would be paid in the same manner that aid is currently paid to Milwaukee charter schools. The charter schools established under this provision would not be instrumentalities of any school district, and no school board could employ any personnel for the charter school.

Under current law, the City of Milwaukee, the UW-Milwaukee, and the Milwaukee Area Technical College may operate or contract with another party to operate a school as a charter school. Only children residing within the Milwaukee Public School may attend these charter schools if in the previous year the pupil was: (a) enrolled in MPS; (b) enrolled in a school participating in the Milwaukee parental choice program; (c) enrolled in grades K to 3 in a private school in Milwaukee; (d) not enrolled in school; or (e) enrolled in a Milwaukee charter school.

Joint Finance: Delete provisions as non-fiscal policy.

Assembly: Expand the current Milwaukee charter school program to allow the following entities to establish or contract to establish charter schools:

- a. *County Boards.* Specify that a county board could establish or contract to establish a charter school located only within that county, and that a pupil residing in the county may attend the charter school;
- b. *Technical College Districts.* Specify that a technical college would have to enter into participation agreements with school districts, and that students living within any of the school districts participating in the agreement could attend the charter school sponsored by the technical college;

c. *Cooperative Educational Service Agencies (CESAs)*. Specify that pupils residing within any school district served by a CESA could attend the charter school sponsored by the CESA; and

d. *UW-Parkside*. Provide that pupils residing within the school district in which the charter school established by UW-Parkside is located could attend the charter school. Specify that the Chancellor of UW-Parkside would be required to gain approval of the Board of Regents of the UW System in order to establish or contract to establish a charter school.

Specify that these charter schools would not be instrumentalities of any school district and no school district would be allowed to employ personnel for these charter schools. Provide that in addition to pupils who reside in the MPS district, a pupil who participated in the interdistrict Chapter 220 program in the prior year could attend the charter schools located in MPS.

Under current law, the City of Milwaukee, UW-Milwaukee and the Milwaukee Area Technical College are authorized to establish or contract to establish charter schools within MPS. DPI is required to pay the operators of these charter schools a per pupil amount, which is estimated to be \$6,714 in 2001-02 and \$6,935 in 2002-03, for a total of \$13.4 million in 2001-02 and \$18.7 million in 2002-03. The Milwaukee charter school program is funded from a separate, GPR sum sufficient appropriation established for that purpose. The cost of the payments from the appropriation is offset by a lapse from the general school aids appropriation to the general fund. DPI is required to reduce the general school aids for which the 426 school districts are eligible to be paid proportionately by the lapse amount.

Conference Committee/Legislature: Delete Assembly provision and, instead, expand the current Milwaukee charter school program to allow on a pilot basis UW-Parkside to establish or contract to establish one charter school in a unified school district that is located in the county in which UW-Parkside is located or in an adjacent county. The charter school could not operate high school grades or enroll more than 400 pupils.

Create a continuing program revenue appropriation under the UW System to receive payments from DPI for the operation of a charter school by UW-Parkside. Create a continuing program revenue appropriation under the UW System to receive payments from the operator of a charter school under contract with UW-Parkside, for the costs associated with the charter school.

Specify that if the Chancellor of UW-Parkside establishes or contracts for the establishment of a charter school, then per pupil payments equal to \$6,935 in 2002-03 would be paid to the charter school operator as under the current Milwaukee charter school program. Provide that DPI would pay in March to the unified school district in which the charter school is located from the current GPR sum sufficient charter school appropriation an amount equal to the amount of school aid per pupil for which the district is eligible in the current school year multiplied by the number of pupils attending the charter school who were previously enrolled

in the district. [It is anticipated that the school would be located in the Racine Unified School District. In 2000-01, equalization aid per pupil for the Racine School District was \$4,715.]

Provide that if the Chancellor of UW-Parkside establishes or contracts for the establishment of a charter school, biennially the Chancellor would submit a report to the Legislature that includes information on the academic performance of the charter school's pupils and on the success of the charter school's governance structure.

Provide that if the Chancellor of UW-Parkside contracts for the establishment of a charter school, then the Board of Regents could employ instructional staff for the charter school. Specify that the instructional staff would be part of the unclassified service and that instructional staff would have the meaning given in rules promulgated by DPI.

Provide that the Board of Regents of the UW System could create or abolish positions from revenues associated with the charter school, and report to DOA and the Joint Committee on Finance concerning the number of these positions created or abolished during the preceding calendar year.

Provide that the salaries for instructional staff employed by the Board of Regents of the UW System who provide services for a charter school established by contract under this provision would be set by the UW System, subject to statutory restrictions and except where the salaries are a subject of collective bargaining.

Provide that if the Chancellor of UW-Parkside contracts for the establishment of a charter school, the contract would provide that the charter school would be operated by a governing board and that the Chancellor or his or her designee would be a member of the governing board. In addition, if the contract requires that the instructional staff of the charter school be employees of the Board of Regents of UW System, then the contract would also include provisions that do all of the following:

a. Delegate to the governing board of the charter school the Board of Regents' authority to establish and adjust all compensation and fringe benefits of instructional staff, subject to the terms of any collective bargaining agreement that covers the instructional staff. In the absence of a collective bargaining agreement, the governing board could establish and adjust all compensation and fringe benefits of the instructional staff only with the approval of the Chancellor of UW-Parkside;

b. Authorize the governing board of the charter school to perform specified duties for the Board of Regents with respect to the instructional staff. This authorization could include duties related to supervising the instructional staff, taking disciplinary actions with respect to the instructional staff, recommending new hires or layoffs, collective bargaining, claims, complaints, or benefits and records administration.

Provide that instructional staff employed by the Board of Regents who provide services for a charter school established by contract with UW-Parkside would be added to the definition of a state employee and could choose to form a collective bargaining unit.

Provide that the governing board of the charter school established by contract with UW-Parkside would be responsible for the employer functions relating to negotiations with the instructional staff of the charter school as a collective bargaining unit. Specify that the DER would not represent the state with respect to collective bargaining negotiations with the instructional staff of the charter school and that it would be an unfair labor practice for the employee of the instructional staff for the charter school, individually or in concert with others, to refuse to bargain collectively with the certified exclusive collective bargaining representative of the instructional staff of the charter school.

Provide that DER would not be responsible for obtaining tentative agreements with the certified labor organization representing the instructional staff of the charter school. Specify that instructional staff of the charter school would not be included among the collective bargaining units for which a tentative agreement must be submitted by DER to the Joint Committee on Employment Relations and to the Legislature for approval.

Provide that any tentative agreement reached between the governing board of the charter school established by contract with UW-Parkside, acting for the state, and any labor organization representing the instructional staff of the charter school, would, after official ratification by the labor organization and approval by the Chancellor of UW-Parkside, be executed by the parties. Specify that all civil service and other applicable statutes concerning wages, fringe benefits, hours and conditions of employment apply to all instructional staff of the charter school whether or not they are included in a collective bargaining unit for which a representative is certified.

Specify that if a collective bargaining agreement expires prior to the effective date of a subsequent agreement, and a representative continues to be recognized or certified to represent the instructional staff of the charter school, the wage rates of the instructional staff would be frozen until a subsequent agreement becomes effective, and no other compensation plan or salary and benefit changes would apply.

Provide that annual leave of absence with pay for instructional staff employed by the Board of Regents for the charter school established by contract would be determined by the governing board of the charter school, as approved by the Chancellor of UW-Parkside and subject to the terms of any collective bargaining agreement covering the instructional staff.

Specify in nonstatutory provisions that UW-Parkside would be authorized to establish or to contract to establish a charter school in a populous school district that is located in close proximity to the campus. Specify that the Legislature finds that these limitations would better enable UW-Parkside to assess the ability of the charter school to improve the academic performance of pupils. Specify that the Legislature finds that improving pupil academic

performance is a state responsibility of statewide dimension and that authorizing UW-Parkside to establish or to contract to establish a charter school would have a direct and immediate effect on that statewide concern.

Delete old references to membership and shared cost per member under the Milwaukee charter school program.

[Act 16 Sections: 240m, 553m, 577o, 579m, 993i, 2615ag thru 2615t, 2725mb thru 2725t, 2762d, 3047p, 3060p, 3078d, 3079c and 9159(3t)]

16. TRANSPORTATION OF MILWAUKEE CHARTER PUPILS

Assembly: Require MPS to provide transportation to and from school for a pupil attending a charter school sponsored by an entity other than MPS but located within MPS, if the pupil would otherwise be eligible to be transported were the pupil attending a public or private school located within MPS.

Conference Committee/Legislature: Delete provision.

17. CHARTER SCHOOL APPLICATIONS AND REVOCATIONS

Assembly: Require that within 60 days after a public hearing to consider a petition for a charter school, a school board would have to either grant or deny the petition. Specify that the school board's decision must be in writing and include the reasons for the decision, and that a copy of the decision must be provided to the petitioner. Further require that if a school board or other entity revokes a charter, its decision would have to be in writing and include the reasons for the decision. Specify that a charter school operator could appeal a revocation to the Circuit Court for the county in which the school district is located, and if an appeal would be filed within 60 days after the date on which the decision is issued, the Court would conduct a full trial on the merits. Specify that the Court would award reasonable attorney fees, damages, and other actual costs to the prevailing party. These provisions would first apply to petitions submitted and revocations made after the effective date of the bill.

Conference Committee/Legislature: Delete provision.

18. CHARTER SCHOOL REPORT

Assembly/Legislature: Require the State Superintendent annually to report to the Legislature on the status of existing charter schools, the number of petitions for new charter schools, and school board and departmental action on petitions for new charter schools.

[Act 16 Section: 2635m]

19. AID FOR SUMMER SCHOOL FOR CHARTER SCHOOLS [LFB Paper 751]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$416,100	- \$416,100	\$0

Governor: Require state aid to be paid to charter schools sponsored by the City of Milwaukee, a baccalaureate or graduate degree granting institution of the UW System, a WTCS district board or the Board of Control of a CESA be calculated to include payment for the summer average daily membership equivalent for the summer of the previous school year, beginning with payments made for summer classes held in 2001. Provide \$416,100 in 2002-03 for this purpose. Specify that these charter schools would receive payment for their membership, which would be defined as the sum of the number of pupils attending the charter school in the current school year and the summer average daily membership equivalent, as calculated under current law, for the summer of the previous school year.

Joint Finance/Legislature: Delete provision.

20. OPEN ENROLLMENT AND TUITION PAYMENT AMOUNT [LFB Paper 752]

Governor: Specify that the per pupil transfer amount for state aid adjustment purposes under the full-time open enrollment program and for tuition payments for parents equal two-thirds of the statewide average per pupil school district cost in the previous year, rather than the statewide average per pupil school district cost for regular instruction, co-curricular activities, instructional support services and pupil support services in the previous school year. Specify that this provision first applies to state aid adjustments in the 2001-02 school year as it relates to the open enrollment program and that it first applies to tuition payments made by parents in the 2002-03 school year. Under current law, the estimated 2000-01 per pupil transfer amount is \$4,858. DOA staff estimate that this amount would have been approximately \$5,700 in 2000-01 had this provision been in effect in that year.

Joint Finance/Legislature: Delete provision.

21. OPEN ENROLLMENT FOR CONTINUING PUPILS

Governor/Legislature: Specify that if, under the full-time open enrollment program, a nonresident school board determines that space is not otherwise available for open enrollment pupils in the grade or program to which an individual has applied, the school board may still accept an applicant who is already attending school in the nonresident school district or a sibling of the applicant. Specify that a nonresident school district may include continuing

pupils and their siblings in its count of occupied spaces for the purpose of determining the availability of space in the district. Specify that these provisions take effect on January 1, 2002.

Under current law, a nonresident school board must first give preference to pupils and their siblings if the pupils are already attending school in the district and if space is available in the grade or program. These space determinations do not include continuing pupils. If the number of applicants exceeds the number of available spaces, pupil acceptance must otherwise be determined randomly.

[Act 16 Sections: 2738 thru 2742 and 9440(1)]

22. OPEN ENROLLMENT TRANSPORTATION AIDS

Governor/Legislature: Modify the appropriations for open enrollment transportation aids to allow for transportation aid for both the full-time and part-time open enrollment programs to be paid from the same appropriation.

Under current law, aid for full-time open enrollment transportation is paid from one appropriation with base funding of \$500,000 GPR, while transportation aid for both the part-time open enrollment program and the youth options program is paid from a separate appropriation with base funding of \$20,000 GPR. Under the bill, transportation aid for both the full-time and part-time open enrollment programs would be paid from the \$500,000 appropriation, while transportation aid for the youth options program would be paid from the \$20,000 appropriation. Funding in these appropriations would not be modified under the bill.

[Act 16 Sections: 551, 552 and 2744]

Assessments and Licensing

1. HIGH SCHOOL GRADUATION TEST DEVELOPMENT AND ADMINISTRATION [LFB Paper 760]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$9,251,500	- \$9,251,500	\$0

Governor: Provide \$4,599,800 in 2001-02 and \$4,651,700 in 2002-03 above a base level of \$2,500,000 for development and administration of a high school graduation test. Of the total,

\$24,000 in 2002-03 is attributable to allowing schools participating in the Milwaukee parental choice program to administer the test to students attending school under the program.

Joint Finance: Delete provision.

Senate: Modify Joint Finance to delete \$2,000,000 in 2001-02 and \$2,500,000 in 2002-03 and 6.0 positions. Delay by two years the current law requirement that beginning in 2002-03, a school board or charter school operating high school grades must administer a high school graduation test. Also delay by two years the current law requirement that by September 1, 2002, a school district or charter school that operates a high school must adopt a written policy specifying criteria for granting a high school diploma, which must include a pupil's score on a graduation test. Delay by two years the current law requirement that beginning September 1, 2003, a high school diploma cannot be granted to any pupil unless the pupil has satisfied the school board's or charter school's criteria.

Assembly: Provide \$3,580,500 in 2001-02 and \$3,613,000 in 2002-03 for the high school graduation test (HSGT). Require that pupils be afforded at least three opportunities to take the HSGT, rather than four as required under current law. Provide \$100,000 in 2001-02 to be used by DPI to complete an equating study to ensure that the HSGT meets federal testing requirements that the 10th grade knowledge and concepts exam currently fulfills.

Conference Committee/Legislature: Include the Senate provision, modified to retain base level funding and positions included in the Joint Finance version of the budget.

Veto by Governor [A-8]: Delete the two-year delay of the current law requirements that (a) beginning in 2002-03, a school board or charter school operating high school grades must administer a high school graduation test at least twice each school year; (b) by September 1, 2002, a school district or charter school that operates a high school must adopt a written policy specifying criteria for granting a high school diploma, which must include a pupil's score on a graduation test; and (c) beginning September 1, 2003, a high school diploma cannot be granted to any pupil unless the pupil has satisfied the school board's or charter school's criteria. The base level funding of \$2,500,000 GPR annually and the 6.0 positions dedicated to the ongoing development of the graduation test remain under Act 16; however, no additional funding is provided for the development and administration of the test.

[Act 16 Vetoed Sections: 2703m, 2707m and 2718m]

2. HIGH SCHOOL GRADUATION TEST PARENTAL OPT-OUT

Assembly: Delete the current law requirement that a pupil be excused from taking the HSGT at the request of a parent or guardian.

Conference Committee/Legislature: Delete provision.

3. WISCONSIN KNOWLEDGE AND CONCEPTS EXAMINATIONS [LFB Paper 761]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,348,900	- \$27,000	\$1,321,900

Governor: Provide \$211,800 in 2001-02 and \$220,100 in 2002-03 above a base level of \$1,737,400 for increases in the cost of administering the existing statewide knowledge and concepts assessments in the 4th, 8th, and 10th grades and an additional \$917,000 in 2002-03 to begin the development of customized enhancements to the tests, which would be aligned with the state's model academic standards. Of the total, \$27,000 in 2002-03 is attributable to allowing schools participating in the Milwaukee parental choice program to administer the tests to students attending school under the program.

Joint Finance: Delete \$27,000 in 2002-03 to reflect that the provisions in the bill allowing schools participating in the Milwaukee parental choice program to administer the test to students attending school under the program were deleted as non-fiscal policy.

Assembly: Delete \$460,000 annually and eliminate the 10th grade knowledge and concepts exam.

Conference Committee/Legislature: Include Joint Finance provision.

4. WISCONSIN READING COMPREHENSION TEST [LFB Paper 761]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$168,100	- \$13,500	\$154,600

Governor: Provide \$62,600 in 2001-02 and \$105,500 in 2002-03 above a base level of \$566,400 for the increased costs of administering the Wisconsin Reading Comprehension Test for third grade pupils. Of the total, \$13,500 in 2002-03 is attributable to allowing schools participating in the Milwaukee parental choice program to administer the test to students attending school under the program.

Joint Finance/Legislature: Delete \$13,500 in 2002-03 to reflect that the provisions in the bill allowing schools participating in the Milwaukee parental choice program to administer the test to students attending school under the program were deleted as policy.

5. PROHIBIT CALCULATORS ON 4TH GRADE EXAM

Assembly/Legislature: Beginning in 2002-03, require school boards and charter schools to ensure that no pupil uses a calculator while taking the 4th grade knowledge and concepts exam.

Veto by Governor [A-9]: Delete provision.

[Act 16 Vetoed Sections: 2709m and 9340(16c)]

6. ACCESS TO STATEWIDE EXAMINATIONS

Governor: Require the State Superintendent to allow a person to view a statewide examination (the high school graduation test and 4th, 8th and 10th grade examinations), rather than make an examination available as under current law, if the person submits a written request to do so within 90 days after the date of administration of the examination. As under current law, this provision would not apply while an exam is being developed or validated. Require the State Superintendent to promulgate rules establishing procedures to administer this provision and that the rules, to the extent feasible, protect the security and confidentiality of the exams.

Joint Finance: Delete provision as non-fiscal policy.

Assembly/Legislature: Restore Governor's recommendations.

[Act 16 Sections: 2712m and 2714m]

7. TRANSFER PUPIL ASSESSMENT FROM DPI TO DOA [LFB Paper 145]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$11,811,500	- 15.60	\$11,811,500	15.60	\$0	0.00

Governor: Create a Board on Education Evaluation and Accountability (Board), attached to DOA and consisting of five members appointed for four-year terms. The members of the Board would be appointed by the Governor; Senate confirmation would not be required. Require that at least one member be experienced in education evaluation and assessment. Require that two of the initial members of the Board serve for terms expiring on May 1, 2003, and three of the initial members serve for terms expiring on May 1, 2005. Require the Board to appoint an executive director, assigned to statutory executive salary group 3, to serve at its pleasure. Specify that the executive director be part of the unclassified civil service.

Create an appropriation under DOA to fund the program operations of the Board. Transfer \$11,811,500 and 15.60 positions from DPI to DOA for this purpose in 2002-03. Of this funding, \$826,600 would be transferred from DPI's largest general program operations appropriation, \$10,859,900 from DPI's assessment appropriation and \$125,000 from the primary SAGE appropriation.

Require the Board to administer the pupil assessment program, currently administered by DPI. Require the Board, rather than DPI, to adopt or approve a 3rd grade reading test, 4th, 8th, and 10th grade knowledge and concepts exams and a high school graduation exam. Require a school board or charter school operator that chooses to develop and adopt its own 4th or 8th grade exams to notify the Board, rather than DPI, or for its own high school graduation exam, to notify the Board, rather than DPI, annually by October 1 that it intends to administer the examination in the following school year.

Require the Board to compile a school performance report. Require the Board to publish and distribute a summary of the school performance reports to the Legislature annually. Under current law, the State Superintendent develops and distributes the report annually.

Authorize the Board to conduct a longitudinal study of the Milwaukee parental choice program if the Board receives sufficient funds from private sources to do so. If the Board conducts such a study, require that it report the results to the Legislature and the Governor.

Require the Board to take over the duties of the State Superintendent related to identifying schools that are low in performance, making recommendations regarding how the programs and operations of the schools can be improved and periodically assessing school district implementation of the plans. Require the Board, rather than the State Superintendent, to publish and distribute a list of the schools identified as low in performance to the Governor and Legislature annually.

Require the Board, rather than the State Superintendent as under current law, to study the utility of administering technology-based performance assessments to pupils.

Modify a current law requirement that a school board or operator of a charter school that chooses to administer its own 4th and 8th grade examinations provide the State Superintendent with statistical correlations of those exams with the exams adopted or approved by the State Superintendent, to instead refer to the Board.

Transfer the responsibility to arrange for an annual evaluation of the SAGE program to the Board, and require the Board to allocate \$125,000 for that purpose from its appropriation, rather than from the SAGE appropriation.

Establish a nonstatutory provision governing the transfer of functions from DPI to the Board. Specify that this provision would apply to the following items, if they would be primarily related to the school performance report, pupil assessments, SAGE program

evaluation and the 3rd grade reading test, as determined by the Secretary of DOA: (a) the assets and liabilities of DPI would become the assets and liabilities of the Board; (b) all incumbent employees holding positions in DPI would be transferred to the Board; (c) such employees would have all the statutory rights and the same status in the Board that they enjoyed in DPI immediately before the transfer and no employee transferred who has attained permanent status in class would be required to serve a probationary period; (d) all tangible personal property, including records, of DPI would be transferred to the Board; (e) all contracts entered into by DPI in effect on the effective date of this provision would remain in effect and would be transferred to the Board, which would carry out any obligations under such a contract until the contract is modified or rescinded by the Board to the extent allowed under the contract; (f) all rules promulgated by DPI that are in effect on the effective date of this provision would be transferred to the Board and would remain in effect until amended or repealed by the Board and all orders issued by DPI that are in effect on the effective date of this provision would be transferred to the Board and would remain in effect until their specified expiration date or until modified or rescinded by the Board; and (g) any matter pending with DPI on the effective date of this provision would be transferred to the Board and all materials submitted to or actions taken by DPI with respect to the pending matter would be considered as having been submitted to or taken by the Board.

The Board's powers and duties and the transfer of functions to the Board would take effect on July 1, 2002.

Joint Finance/Legislature: Delete provision.

8. MODIFY ASSESSMENT APPROPRIATIONS

Governor/Legislature: Consolidate funding currently provided in two pupil assessment appropriations into one appropriation. Delete an obsolete reference to the review and modifications of academic standards. Under the bill, the consolidated appropriation would be used for the 3rd grade reading test as well as the 4th grade, 8th grade, 10th grade, and high school graduation exams.

[Act 16 Sections: 543 and 544]

9. 4TH AND 8TH GRADE PUPIL ASSESSMENT MODIFICATIONS

Governor/Legislature: Delete the requirement that public and charter school pupils be given two opportunities to take the 4th and 8th grade knowledge and concepts exams. Under the bill, school boards and charter school operators would still be required to administer the exams.

[Act 16 Sections: 2700, 2702, 2704 and 2706]

School District Operations

1. SCHOOL DISTRICT REFERENDA SCHEDULING [LFB Paper 765]

Governor: Provide that certain school district referenda requirements would be modified as follows:

Referendum to Exceed Revenue Limit. Require that a school board wishing to exceed its revenue limit call a referendum at the next succeeding spring election or general election, if such election would be held not earlier than 42 days after the adoption of the resolution of the school board, or at a special election held on the Tuesday after the first Monday in November in an odd-numbered year if that date would occur not earlier than 42 days after the adoption of the resolution of the school board.

Under current law, in submitting a resolution to exceed the school district revenue limit to voters, a school board may call a special referendum, or a referendum at the next succeeding spring primary or election or September primary or general election, if such election is to be held not sooner than 42 days after the filing of the resolution of the school board.

State Trust Fund and Long-Term Loans. Provide that if any school district is not empowered by law to incur indebtedness for a particular purpose without first submitting the question to its electors, the application for a state trust fund loan for that purpose would be required to be approved and authorized by a majority vote of the electors. Specify that this referendum could only be held at the next regularly scheduled spring election or general election that occurs not sooner than 42 days after the filing of the resolution or at a special election held on the Tuesday after the first Monday in November in an odd-numbered year if that date occurs not sooner than 42 days after the filing of the resolution. Require that the referendum be called, noticed and held in the manner provided for other referenda. Require that the notice of the referendum state the amount of the proposed loan and the purpose for which it would be used. Under current law, school districts may submit the question of an application for a state trust fund loan to the electors under a special election.

Modify the current law requirement that every application for a long-term loan by a unified school district, the required repayment of which exceeds 10 years, be approved by a majority vote of the electors of the school district at a special election, to instead require approval at a referendum as provided above.

Joint Contracts. Modify a current law requirement for voter approval of certain joint contracts entered into by municipalities, to require that if the municipality is a school district, the referendum would have to be held at the next spring election or general election to be held not earlier than 42 days after submittal of the issue or at a special election held on the Tuesday after the first Monday in November in an odd-numbered year if that date occurs not earlier than

42 days after submittal of the issue. Under current law, a municipality, including a school district, may enter into a joint contract with a nonprofit corporation organized for civic purposes and located in the municipality to construct or otherwise acquire, equip, furnish, operate and maintain a facility to be used for municipal and civic activities if a majority of the voters voting in a referendum at a special election or at a spring primary or election or September primary or general election approve the question of entering into a joint contract.

School District Borrowing. Require that a resolution for the purposes of school district borrowing be submitted to the voters at the next spring election or general election to be held not earlier than 45 days after the adoption of the resolution or at a special election held on the Tuesday after the first Monday in November in an odd-numbered year if that date occurs not earlier than 45 days after the adoption of the resolution. Under current law, in submitting a resolution to the voters for the purposes of borrowing, the school board is required to direct the school district clerk to call a special election for the purpose of submitting the resolution to the electors for approval or rejection or to submit the resolution at the next regularly scheduled primary or election to be held not earlier than 45 days after the adoption of the resolution.

Milwaukee Public Schools. Require that a proposal to exceed a statutory 0.6 mill levy rate for purposes of a school construction fund be submitted to the voters at the next regularly scheduled spring election or general election that occurs not sooner than 42 days after receipt of the communication or at a special election held on the Tuesday after the first Monday in November in an odd-numbered year if that date occurs not sooner than 42 days after receipt of the communication. Under current law, if the MPS School Board deems it necessary to exceed the levy rate, it may by a two-thirds of the members-elect include a communication to the Common Council of the City of Milwaukee as part of the budget transmitted to the Council. Upon receipt of the communication, the Council is required to cause the question of exceeding the levy rate to be submitted to the voters of the City at the September election or at a special election.

Require that a proposal to issue bonds for MPS school construction or remodeling be submitted to the voters at the next regularly scheduled spring election or general election that occurs not sooner than 42 days after receipt of the communication or at a special election held on the Tuesday after the first Monday in November in an odd-numbered year if that date occurs not sooner than 42 days after receipt of the communication. Under current law, if the MPS School Board deems it necessary to construct buildings or additions to buildings, to remodel buildings or to purchase school sites or to provide funds for any such purpose as a participant in an intergovernmental contract, it may by a two-thirds vote of the members-elect send a communication to the Council requesting that the Council submit a question to the voters to issue school bonds. Upon the receipt of the communication, the Council is required to cause the question of issuing such school bonds in the stated amount and for the stated school purposes to be submitted to the voters at the next election held in the city.

Effective Date. Provide that these modifications would first apply with respect to referenda called on or after the effective date of the bill.

Senate: Delete provision.

Assembly: Provide that, unless otherwise required by law or authorized under the procedure described below, a referendum held by any local governmental unit (including school districts) could only be held concurrently with the spring primary, spring election, or general election, or on the first Tuesday after the first Monday of November of an odd-numbered year. Further provide that, unless otherwise required by law or authorized under the procedure described below, no referendum submitted by the same local governmental unit relating to substantially similar subject matter or relating to authorization for the borrowing of money may be held more than once in any 12-month period.

Modify the Joint Finance provision that would require school district referenda be held only at spring elections, general elections or special elections held on the first Tuesday after the first Monday in November in an odd-numbered year to provide that the referenda must be held in accordance with the above paragraph. In addition, require that MPS elections to exceed the statutory 0.6 mill rate for the purposes of a school construction fund or to issue bonds for school construction or remodeling be held at the next election held not sooner than 45 days, rather than 42 days under Joint Finance, after receipt of the communication.

Provide that if a local governmental unit wishes to hold a special referendum on a date that is not one of the above dates, the local governmental unit could petition a newly-created Referendum Appeal Board for a determination that an emergency exists with respect to a particular question. Require the Referendum Appeal Board to make a determination within 10 days after receipt of a petition. If the Referendum Appeal Board finds, with the concurrence of at least four members, that an emergency exists which requires a special referendum to be held on a different date, authorize the Board to permit a referendum relating to the question specified in the petition to be held on a date determined by the local governmental unit.

Create a Referendum Appeal Board, to be attached to the Elections Board, consisting of the Governor, the Senate Majority Leader, the Senate Minority Leader, the Speaker of the Assembly and the Assembly Minority Leader or the designees of these persons. Provide that members of the Board would serve for indefinite terms.

These provisions would first apply with respect to referenda called on the effective date of the bill.

Conference Committee/Legislature: Delete provision.

2. SCHOOL START DATE

Governor: Allow school boards to hold the public hearing relating to the school start date no earlier than May 1 of the previous school year, beginning in 2002-03 school year. Prohibit school districts from holding classes on August 30, 2001, or August 31, 2002, which are the Fridays before Labor Day weekend each year. Specify that current statutes establishing certain prohibited subjects of collective bargaining could not be construed to eliminate a school district's duty to bargain collectively with its employees with respect to the impact of any school calendar decision on wages, hours, and conditions of employment. Modify current statutes relating to school hours that state a school district's duty to bargain over any calendaring proposal which is primarily related to wages, hours and conditions of employment, to instead refer to the impact of the school calendar on wages, hours and conditions of employment.

Create a nine-member committee appointed by the Governor to study the educational and economic effects of a required September 1 school start date and require the committee to report its findings and recommendations to the Governor and Legislature by December 1, 2002. Specify that committee members would include: (a) a licensed teacher; (b) a parent of a public school pupil; (c) a school board member chosen from nominees by the Wisconsin School Boards Association; (d) a school district administrator chosen from nominees by the Wisconsin Association of School District Administrators; (e) an employer chosen from nominees by Wisconsin Manufacturers and Commerce; (f) a person chosen from nominees by the Wisconsin Restaurant Association; (g) a person chosen from nominees by the Wisconsin Tourism Association; (h) a member of the general public; and (i) the Secretary of Commerce, or his or her designee. Specify that the Governor would name the chairperson of the committee. Provide that the committee would terminate on the date it submits its findings and recommendations.

Under current law, no public school may commence the school term until September 1, unless the school holds a public hearing on the issue and adopts a resolution to commence the school term on an earlier date. The hearing may not be held prior to July 1. School boards are not prohibited from holding athletic contests or practices or scheduling in-service or work days prior to September 1, or from holding school year-round.

Joint Finance: Delete provision as non-fiscal policy.

Assembly/Legislature: Eliminate the current provision that a school board may commence the school term before the required earliest start date of September 1 in any school year if it holds a public hearing on the issue and adopts a resolution to that effect in that school year. This provision would take effect on July 1, 2002, so that in general school districts could no longer start earlier than September 1, beginning in 2002-03. Provide that a school board could request DPI to allow it to commence the school term before September 1, and provide DPI with its reasons for the request. Specify that DPI could only grant a request if it determines there are extraordinary reasons for granting it. Require DPI to promulgate rules to implement and administer this provision. Specify that current DPI waiver authority would not apply to the school start date.

[Act 16 Sections: 2673p, 2725m and 9440(3f)]

3. ANNUAL MEETINGS

Assembly/Legislature: Specify that union high school and common school districts may not hold their annual meetings before May 15 or after October 31. Under current law, meetings may not be held before May 15 or after September 30.

[Act 16 Section: 2760k]

4. CONSIDERATION OF STATE HEALTH INSURANCE

Assembly: Require school boards, prior to the selection of any group health care benefits provider for school district professional employees, to solicit sealed bids for the provision of such benefits and consider the state insurance plan.

Conference Committee/Legislature: Delete provision.

5. REQUIRE FLAGS IN CLASSROOMS

Assembly: Beginning in 2005-06, require all public and private schools to display a U.S. flag in every classroom. Delete the current law requirement, beginning in 2005-06, that a U.S. flag be displayed in the schoolroom or from a flagstaff on each school ground during the school hours of each school day. Specify that the requirement to display the U.S. flag would not apply to a private school if the governing body of the private school determined that the requirement would conflict with the school's religious doctrines.

Conference Committee/Legislature: Delete provision.

6. REQUIRE DAILY PLEDGE OF ALLEGIANCE OR NATIONAL ANTHEM

Assembly/Legislature: Require all public and private schools to offer the Pledge of Allegiance or the National Anthem in grades one to twelve each school day. Specify that no pupil could be compelled against the pupil's objections or those of the pupil's parent or guardian, to recite the pledge or to sing the anthem. Specify that the requirement to offer the Pledge of Allegiance or National Anthem would not apply to a private school if the governing body of the private school determined that the requirement would conflict with the school's religious doctrines. Under current law, every public and private school is required to offer the Pledge of Allegiance in grades one to eight at the beginning of school at least one day per week. No pupil may be compelled, against the pupil's objections or those of the pupil's parents or guardian, to recite the Pledge.

[Act 16 Sections: 2674d and 2674j]

7. SCHOOL UNIFORMS

Assembly/Legislature: Allow a school board to adopt a policy that requires all pupils enrolled in school in the school district, or all pupils enrolled in one or more schools in the school district, to wear a uniform while in school or while under the supervision of a school authority. Specify that if a school board adopts a school uniform policy, the board must: (a) establish a method whereby the parent or guardian of a pupil could exempt his or her child from complying with the policy; (b) ensure that no pupil is penalized academically or otherwise discriminated against because the pupil has been exempted from the policy by a parent or guardian; (c) notify each parent or guardian of an enrolled pupil of the policy at least three months before the school board implements the policy; and (d) assist economically disadvantaged pupils to obtain the uniforms. Specify that these requirements would neither apply to uniforms required by a school board to be worn during extracurricular activities nor to any school board that had in effect on the effective date of the bill a school uniform policy and continues to have such a policy in effect continuously since that date. Specify that this provision would not affect the authority of a school board to require pupils to wear uniforms for extracurricular activities.

Require DPI to submit a report by July 1, 2005, to the appropriate standing committees of the Legislature that addresses the following issues: (a) methods of encouraging the involvement of parents or guardians of pupils enrolled in a school district in a school board's decision to require school uniforms; (b) the ability of pupils to obtain the uniforms; and (c) the effect of the imposition of the requirement on crime in the school, including weapons possession, assault, battery and vandalism, and on pupil suspensions and expulsions.

[Act 16 Section: 2673m]

8. MARRIAGE INSTRUCTION IN SCHOOLS

Assembly/Legislature: Require that, if a school board offers instruction in subjects relating to human growth and development, including male and female responsibility, then it must also offer instruction in marriage and parental responsibility. This provision would take effect 13 months after publication of the bill.

[Act 16 Sections: 2670m, 2670p, 2670q and 9440(1f)]

9. VETERANS IN SCHOOL TO DISCUSS THEIR EXPERIENCES

Assembly/Legislature: Require the State Superintendent to encourage school boards to invite armed forces veterans to school to discuss their experiences as veterans.

[Act 16 Section: 2635L]

10. SPECIAL OBSERVANCE DAYS

Assembly/Legislature: Require the following school special observance days to be specifically listed in statute, in addition to the dates that are currently listed: (a) Abraham Lincoln's birthday; (b) George Washington's birthday; (c) Christopher Columbus' birthday; and (d) Veterans Day. In addition, designate April 19 as a special observance day to be known as "Patriots Day." Patriots Day commemorates the battles of Lexington and Concord.

[Act 16 Sections: 2671m, 2671n, 2671p, 2671q and 2671r]

11. CHILDREN'S VISION INITIATIVE

Joint Finance: Require school boards and charter schools to request that pupils entering kindergarten provide evidence that the pupil has had his or her eyes examined by a licensed optometrist or physician, by December 31 after the child's enrollment in kindergarten, beginning with the 2002-03 school year. The examination would include: (a) a brief history of general health and eye health of the child and of the child's family; (b) general external observation of the child's eyes and surrounding structures; (c) examination of the inside of the child's eyes through dilated pupils; (d) gross measurement of the child's peripheral vision; (e) evaluation of the coordination and function of the child's eyes; and (f) examination of the visual acuity of each of the child's eyes. There would be no penalty if a student fails to provide evidence of an exam.

The Medical Examining Board and Optometry Examining Board would be required to encourage, to the extent feasible, optometrists and physicians, to provide exams at no cost to students who are in financial need and do not have health insurance coverage for eye exams.

The Medical Examining Board and Optometry Examining Board would be required to jointly develop a form, by January 1, 2002, that would be used as evidence of an eye examination. The form would provide a place for the examining physician or optometrist to indicate which of the required elements of the examination were performed, and whether follow-up care is recommended. The Department of Regulation and Licensing would be required to distribute the forms to school districts and charter schools, by May 31, 2002, and annually thereafter.

Senate: Modify the Joint Finance provision that would require school boards to request that pupils provide evidence of eye examinations by December 31 after the pupil enters kindergarten to also refer to evaluations. Add ophthalmologists to the health care providers who could perform these examinations or evaluations, in addition to optometrists and physicians under Joint Finance.

Conference Committee/Legislature: Include the Senate provision, modified to refer to physicians licensed under Chapter 448 of the statutes, rather than ophthalmologists. Also, delete the specific list of items to be included in an examination under Joint Finance.

[Act 16 Sections: 2679m, 3504p and 9143(3c)]

12. DISTRIBUTION OF SCHOOL PERFORMANCE REPORTS

Joint Finance: Eliminate the current law requirement that each school board distribute to the parent or guardian of each pupil enrolled in the school district and charter schools located in the district a school and school district performance report. Require each school board to produce a copy, upon request, of the most recent school and school district performance report to the parent or guardian of a pupil enrolled in the school district or enrolled in a charter school located in the school district, and, if the school district maintains an Internet site, to make the report available to the public at that site.

Assembly/Legislature: Delete provision. Instead, require that school performance reports compare their district's performance to others in their athletic conference.

[Act 16 Sections: 2641m and 2763m]

13. CIVIL IMMUNITY FOR CERTAIN SCHOOL DISTRICT EMPLOYEES AND VOLUNTEERS

Senate/Legislature: Provide that school district employees, volunteers and school bus operators who would administer glucagon to pupils experiencing hypoglycemic emergencies would have civil immunity for their actions, unless the action constitutes a high degree of negligence, provided the incident is reported to emergency medical providers.

[Act 16 Sections: 2695e and 2695m]

14. REFUSAL TO EMPLOY UNPARDONED FELONS

Assembly: Specify that it would not be employment discrimination because of conviction record for an educational agency to refuse to employ or to bar or terminate from employment an individual who has been convicted of a felony and who has not been pardoned for that felony. Specify that for the purposes of this provision, the definition of an educational agency would include a school board, CESA, CCDEB, state correctional institution, juvenile secured correctional facility, secured child caring institution, the Wisconsin School for the Blind and Visually Impaired, the Wisconsin School for the Deaf, the Mendota Mental Health Institute, the Winnebago Mental Health Institute, a state center for the developmentally disabled, a private

school, a charter school, an agency under contract with the school board to provide a program for children at risk, or a nonsectarian private school or agency under contract with the Board of Directors of MPS to provide educational programs for children enrolled in the school district.

Conference Committee/Legislature: Delete provision.

Administrative and Other Funding

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Adjust the base budget by \$867,000 GPR, \$1,303,600 FED and \$246,500 PR annually for: (a) turnover reduction -\$399,000 GPR and -\$258,200 FED annually); (b) full funding of continuing salaries and fringe (\$899,700 GPR, \$1,497,600 FED and \$229,400 PR annually); (c) BadgerNet increases (\$2,200 GPR and \$2,100 FED annually); (d) overtime (\$287,500 GPR, \$52,500 FED and \$14,300 PR annually); (e) night and weekend differential (\$58,000 GPR, \$400 FED and \$200 PR annually); and (f) fifth week of vacation as cash (\$18,600 GPR, \$9,200 FED and \$2,600 PR annually).

GPR	\$1,734,000
FED	2,607,200
PR	<u>493,000</u>
Total	\$4,834,200

2. BASE BUDGET REDUCTIONS [LFB Paper 245]

	Governor (Chg. to Base)	Legislature (Chg. to Gov)	Veto (Chg. to Leg)	Net Change
GPR	-\$2,526,800	\$2,526,800	-\$1,446,000	-\$1,446,000

Governor: Reduce the agency's state operations appropriations by \$1,404,200 in 2001-02 and \$1,122,600 in 2002-03. The total reduction amount was derived by making a reduction of 5% to each of the agency's state operations appropriations. Include session law language permitting the agency to submit an alternative plan to the Secretary of Administration for allocating the required reduction among its sum certain GPR appropriations for state operations purposes. Provide that if the DOA Secretary approves the alternative reduction plan, the plan must be submitted to the Joint Committee on Finance for its approval under a 14-day passive review procedure. Specify that if the Secretary of Administration does not approve the agency's alternative reduction plan, the agency must make the reduction to the appropriation as originally indicated.

Joint Finance: Modify the Governor's recommendation to transfer the portion of DPI's base budget reductions from the general program operations appropriation for the state

residential schools to DPI's largest general program operations appropriation. Provide that the agency may submit a request to the Joint Committee on Finance under s. 13.10 to reallocate any of the reductions to other sum certain GPR appropriations for state operations made to the agency.

Senate/Legislature: Provide \$1,404,200 in 2001-02 and \$1,122,600 in 2002-03 to DPI's largest state operations appropriation. This would eliminate the 5% base budget reduction for the agency.

Veto by Governor [A-18]: Reduce DPI's largest state operations appropriation by \$723,000 annually by lining through the appropriation and writing in a lower amount. These reductions equal a 4% base budget reduction in each year, excluding the residential schools.

[Act 16 Vetoed Section: 395 (as it relates to s. 20.255(1)(a))]

3. MINORITY PRECOLLEGE SCHOLARSHIP PROGRAM

	Legislature (Chg. to Base)	Veto (Chg. to Leg)	Net Change
GPR	\$900,000	- \$747,500	\$152,500

Senate: Provide \$900,000 annually above base level funding of \$1,525,000 for the minority precollege scholarship program.

The minority precollege scholarship program provides funds for minority students in grades six through twelve to attend precollege courses at campuses in the UW System, Wisconsin Technical College System and independent colleges and universities. Scholarships may be used to pay the cost of the course, books, supplies, and room and board and are intended to encourage minority students to pursue postsecondary education. The \$900,000 annual increase would provide funding for approximately 3,000 additional scholarships annually and bring the total number of scholarships available to approximately 8,100 each year.

Conference Committee/Legislature: Provide \$450,000 annually above base level funding of \$1,525,000 for the minority precollege scholarship program. The \$450,000 annual increase would provide funding for approximately 1,500 additional scholarships annually and bring the total number of scholarships available to approximately 6,600 each year.

Veto by Governor [A-13]: Delete \$450,000 in 2001-02 and \$297,500 in 2002-03 by striking through the appropriation and writing in a lower amount.

[Act 16 Vetoed Section: 395 (as it relates to s. 20.255(3)(fz))]

4. WISCONSIN INFORMATIONAL NETWORK FOR SCHOOL SUCCESS

PR	\$579,000
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Governor: Provide \$579,000 in 2001-02 for upgrading the Wisconsin informational network for school success (WINSS). Funding for this item would come from the dissolution of the Wisconsin Advanced Telecommunications Foundation's endowment fund.

Assembly: Delete provision.

Conference Committee/Legislature: Restore provision.

[Act 16 Sections: 961m and 9101(10)]

5. WISCONSIN GEOGRAPHICAL EDUCATION PROGRAM
[LFB Paper 146]

GPR	- \$100,000
PR	<u>500,000</u>
Total	\$400,000

Governor: Delete \$50,000 GPR annually and current law related to grants under the Wisconsin geography alliance program. Provide \$500,000 PR in 2001-02 for a grant to the National Geographical Society Education Foundation (Foundation). Require DPI to enter into an agreement with the Foundation relating to this grant. Specify that the agreement include all of the following: (a) the Foundation would establish and manage a trust fund for a Wisconsin geographical education program consisting of the \$500,000 of grant funding and \$500,000 in matching funds provided by the Foundation; (b) the Foundation would award grants and support programs for improving geographic education in Wisconsin, with an emphasis on improving student use of geographic information systems technology; (c) the Foundation would be required to annually submit to DPI an independent financial audit of the trust fund and a report listing the names of the grant recipients and the amounts and purposes of awards and other expenditures made from the fund; (d) if the trust fund were dissolved, the Foundation would be required to return the initial grant from the state and any unexpended income from it; and (e) that the agreement would not be effective unless the Secretary of DOA determines that monies have been transferred between the state appropriations involved and that the Foundation has provided \$500,000 in matching funds. The funding for the state grant to the Foundation would come from the dissolution of the Wisconsin Advanced Telecommunications Foundation's (WATF) endowment fund. The transfer of monies would occur on the effective date of the budget bill, or when the Secretary of DOA determines that the WATF has granted the proceeds of its endowment fund to DOA and that the Foundation has provided the required matching funds, whichever is later.

Assembly: Delete \$500,000 PR in 2001-02 for the Wisconsin geographical education program. Under the Joint Finance version of the budget, these additional unallocated WATF proceeds would be used for TEACH block grants and would offset GPR expenditures for this purpose.

Conference Committee/Legislature: Restore Governor's provision.

[Act 16 Sections: 562, 961m, 2622, 2625 and 9101(10)]

6. VOCATIONAL EDUCATION

GPR	\$195,000
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Senate: Provide \$195,000 in 2002-03 for career and technical student organizations.

Assembly/Legislature: Provide \$195,000 in 2002-03 for career and technical student organizations. Modify the current law program for vocational student organizations to instead refer to career and technical student organizations and related career and technical education programs. Modify the current statutory requirement that the State Superintendent provide certain consultant positions in DPI as follows: (a) refer to technology education, rather than technical education for two consultants; (b) refer to sciences for two consultants relating to family and consumer education; (c) add a requirement for an additional 0.5 consultant for marketing education; and (d) create a requirement for one full-time consultant in health science education. Require the State Superintendent to provide a career and technical education and career and technical student organizations team consisting of the statutorily required consultants, rather than having a subteam within the integrated and applied curricula team as under current law.

[Act 16 Sections: 2623g, 2623i, 2623k, 2623m, 2623p and 2623r]

7. NATIONAL TEACHER CERTIFICATION REESTIMATE [LFB Paper 770]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$385,000	- \$216,000	\$169,000

Governor: Provide \$130,000 in 2001-02 and \$255,000 in 2002-03 above the current base level of \$85,000 to fully fund awards for teachers earning certification from the National Board for Professional Teaching Standards. Modify the current grant program for national certification in the following manner: (a) delete the requirement that a person be a resident of this state; and (b) clarify the language governing the dispersal of subsequent annual \$2,500 grants. A person would still have to satisfy the other current requirements in order to receive an initial grant and subsequent grants.

Under current law, DPI is required to award a grant to any person who does all of the following: (a) is certified by the National Board for Professional Teaching Standards; (b) is licensed as a teacher by the State Superintendent or employed as a teacher in a private school; (c) is a resident of this state; and (d) is employed as a teacher in this state. The grant must equal the costs of obtaining certification, not to exceed \$2,000, in the school year in which the person is certified, or if not a resident at the time of certification, in the first school year in which the person meets the requirements. In addition, the grant recipient receives \$2,500 in each of the nine school years following the school year in which he or she received the initial grant if the

person does all of the following: (a) maintains national certification; (b) maintains state license or employment in a private school; (c) remains a resident of this state; and (d) remains employed as a teacher in this state.

Joint Finance/Legislature: Reduce funding by \$96,000 in 2001-02 and \$120,000 in 2002-03 to reflect a reestimate of costs under the program.

[Act 16 Sections: 2649 thru 2655]

8. FUEL AND UTILITY REESTIMATE

GPR	\$121,200
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Governor/Legislature: Provide \$96,100 in 2001-02 and \$25,100 in 2002-03 to reflect estimated costs for fuel and utilities.

9. DEBT SERVICE REESTIMATE [LFB Paper 266]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	-\$93,400	\$102,800	\$9,400

Governor: Reestimate debt service costs by \$3,100 in 2001-02 and -\$96,500 in 2002-03 from the base level of \$1,130,000.

Joint Finance/Legislature: Provide \$51,500 in 2001-02 and \$51,300 in 2002-03 to reestimate debt service costs.

10. FEDERAL REVENUE REESTIMATES

FED	\$63,563,000
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Governor/Legislature: Reestimate federal revenues by \$32,498,300 in 2001-02 and \$31,064,700 in 2002-03. Of the total, reestimates would include: (a) federal aids -- local aid (\$32,057,000 in 2001-02 and \$31,257,000 in 2002-03 above base level of \$326,110,700); (b) indirect cost reimbursements (-\$53,500 annually from base level of \$1,097,400); (c) federal aids -- program operations (\$298,000 in 2001-02 and -\$335,600 in 2002-03 from base level of \$19,234,400); (d) federal funds -- local assistance (\$95,200 annually above base level of \$1,115,000); and (e) federal aids to individuals and organizations, including child nutrition programs, Byrd scholarships for outstanding high school seniors and national early intervention scholarship and partnership program for low-income students (\$101,600 annually above base level of \$38,292,900).

11. PROGRAM REVENUE REESTIMATES

PR	\$12,778,200
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Governor/Legislature: Reestimate program revenues by \$6,336,300 in 2001-02 and \$6,441,900 in 2002-03. Of the total, reestimates would include:

School Lunch Handling Charges. Reestimate revenues received from handling fees charged to school districts and other participating agencies by \$4,978,800 in 2001-02 and \$4,975,600 in 2002-03.

Personnel Certification. Reestimate revenues received for personnel certification by \$339,800 in 2001-02 and \$469,800 in 2002-03.

School for the Deaf and Center for the Blind and Visually Impaired. Reestimate miscellaneous revenues from the state residential schools by \$10,100 annually.

Funds from Other Agencies. Reestimate revenues received from other agencies for program operations and local aids by \$416,300 in 2001-02 and \$395,100 in 2002-03.

Other. (a) professional service center charges (\$25,000 annually); (b) gifts and grants (\$115,000 annually); (c) state agency library processing center (\$7,000 annually); and (d) data processing (\$444,300 annually).

12. WISCONSIN CENTER FOR THE BLIND AND VISUALLY IMPAIRED [LFB Paper 146]

PR	\$526,000
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Governor/Legislature: Provide \$526,000 in 2001-02 to upgrade and replace assistive technology devices and related software programs at the Janesville facility of Wisconsin Center for the Blind and Visually Impaired and regional satellite facilities of the center, and for completing network upgrade at the Janesville facility. Funding for this item would come from the dissolution of the Wisconsin Advanced Telecommunications Foundation's endowment fund.

[Act 16 Sections: 961m and 9101(10)]

13. WISCONSIN EDUCATIONAL SERVICES PROGRAM FOR THE DEAF AND HARD OF HEARING

Assembly/Legislature: Establish the Wisconsin educational services program for the deaf and hard of hearing. Modify current statutory references to the Wisconsin School for the Deaf to instead refer to the program or the facilities of or school operated by the program. Delete the current statutory section relating to the Wisconsin School for Deaf and instead establish the program, as follows:

Provide that the purpose of the program would be to serve as a statewide educational resource relating to hearing impairments to benefit all Wisconsin children who are hearing impaired. Require the State Superintendent to maintain and govern the program's facilities and appoint an individual who has training and experience in educating pupils who are hearing impaired to serve as the director of the program. Require the program to provide services that benefit children throughout the state who are hearing impaired.

School for Residents Ages Three to 20. Require the program to operate a school at which any resident of this state ages three to 20 years old who is hearing impaired, or who is hearing impaired and becomes 21 years old during a school term, would be received and taught free of charge if the individualized education program for the resident and the educational placement specify the school operated by the program as the appropriate placement.

Services for Residents 21 years old or older. Provide that the State Superintendent would be permitted to admit to the school operated by the program a resident of the state who is hearing impaired and is 21 years of age or older prior to the beginning of a school term, upon the payment of fees fixed by the State Superintendent and upon the recommendation of the Secretary of Health and Family Services, the Director of the Technical College System or the director of the program.

Services for Nonresidents. Permit a nonresident of this state, who is hearing impaired, who is either three to 20 years old or becomes 21 years old during a school term, whose individualized education program and educational placement specify the school operated by the program as the appropriate placement and who is capable of receiving instruction, to be received at the school upon payment in advance of the fees fixed by the State Superintendent. Provide that no nonresident could be received to the exclusion of a resident pupil.

Services for Birth to Three. Permit the program to provide instruction or services, or both, for hearing impaired children under the age of three and their parents. Provide that the instruction or services would be subject to the approval of DPI and would be required to comply with requirements established by DPI.

Library Services. Provide that educational media and materials acquired by the program would constitute a circulating collection for persons who are hearing impaired. Require that the collection be kept at the program's facility under the supervision of its director. Permit all school-age children of the state who are hearing impaired to use the media and materials upon compliance with criteria established by the director of the program and approved by the State Superintendent.

Summer Programs. Require the program to provide summer programs each year for children who are hearing impaired.

Independent Living Skills. With the approval of the State Superintendent, permit the program to allow individuals to receive instruction in and practice independent living skills in state-owned housing at the program's facility in Delavan.

Provision of Services. In addition to providing services at the program's facility in Delavan, permit the program to provide services at any location in the state and operate regional satellite facilities throughout the state to provide services.

Nondiscrimination and Pupil Use of Residential Facilities. Require the director of the program to make the residential facilities of the program available to all pupils received at the school operated by the program. Provide that all pupils in the program would be permitted to equally and freely enjoy the benefits and privileges of the program, have the use of the library and books of instruction, and receive board, lodging and linens, without discrimination, except that the director of the program may determine that board, lodging and linens may not be provided to an individual because appropriate services are not available for that individual at the program's residential facilities.

Charges and Leasing of Space. Permit the State Superintendent to charge for meals, living quarters, laundry and other services furnished to employees of the program and their families. Permit the State Superintendent to charge for services furnished to visitors to the program's facilities and participants in training programs and institutes. Permit the State Superintendent to lease space at the Program's facilities in Delavan that is not required by the program to any person if the State Superintendent determines that the use will not be inconsistent with the operation of the Program.

School Term and Transportation. Require the State Superintendent to fix the period of the school term at the school operated by the program at not less than 38 weeks, prescribe the school sessions, and confer diplomas upon meritorious pupils who have completed the prescribed curriculum. Provide that a pupil could be placed at the school for less than a school term under the pupil's individualized education program. Permit the program to provide transportation for resident pupils at the school operated by the program.

Other Statewide Services. Permit the program to do any of the following:

- a. Provide evaluation services to assist local educational agencies (LEAs), cooperative educational service agencies (CESAs), county children with disabilities education boards (CCDEBs), private schools and others;
- b. Provide technical assistance and consultation services to LEAs, CESAs, CCDEBs, private schools and others;
- c. Develop and disseminate curriculum and instructional materials;
- d. Provide in-service and other training to teachers and other staff serving pupils who are hearing impaired;

- e. Provide training, technical assistance and consultation services for parents of children who are hearing impaired and for professionals who work with children who are hearing impaired;
- f. Provide access to educational materials to children who are hearing impaired;
- g. Loan books and other materials from the program's library;
- h. Serve as a clearinghouse for information about children who are hearing impaired;
- i. Teach American sign language, and teach other subjects using American sign language, through the use of distance education technology;
- j. Rent or lease technological materials and assistive technology devices to LEAs, CESAs, CCDEBs and private schools;
- k. Facilitate the preparation of teachers of pupils who are hearing impaired by providing assistance to teacher preparation programs; and
- l. Provide other statewide services that relate to the education of children who are hearing impaired.

Deaf and Hard of Hearing Education Council. Create a Deaf and Hard of Hearing Education Council in DPI. Specify that the council consist of the following members, at least three of whom must be hearing impaired, appointed by the State Superintendent for three-year terms: (a) two parents of children who are hearing impaired; (b) one licensed teacher of pupils who are hearing impaired; (c) one person who is a licensed speech-language pathologist; (d) one school district special education director; (e) one person who is a licensed audiologist and whose expertise is in educational audiology; (f) one person who is experienced in educating the hearing impaired, or in educating teachers of the hearing impaired, and is affiliated with an institution of higher education; (g) one person who is an instructor in a technical college interpreter training program; (h) one person employed as an educational interpreter; and (i) three other members.

Specify that the initial members appointed under (b) and (c) and one of the initial members appointed under (a) and (i) serve for terms expiring on July 1, 2002. Specify that the initial members appointed under (d), (e) and (f) and one of the initial members appointed under (i) serve for terms expiring on July 1, 2003. Specify that the initial members appointed under (g) and (h) and one of the initial members appointed under (a) and (i) serve for terms expiring on July 1, 2004.

Legislative Audit. Require the Legislative Audit Bureau to perform a performance evaluation audit of the program in the 2004-05 fiscal year, and to submit the audit report by June 30, 2005.

Veto by Governor [A-17]: Delete provisions.

[Act 16 Vetoed Sections: 181m, 371b, 395 (as it relates to s. 20.255(1)(b),(c),(gb),(gh),(gL),(gs)&(gt)), 541r, 542, 545d thru 545L, 1381g, 1381p, 1381r, 1416, 1489m, 1789b thru 1789d, 2639m, 2660m thru 2662g, 2764c, 2779s, 3938s and 9140(3q)]

14. AFTER SCHOOL CARE PROGRAMS

	Legislature (Chg. to Base)	Veto (Chg. to Leg)	Net Change
PR	\$150,000	- \$150,000	\$0

Senate/Legislature: Provide \$150,000 PR in 2002-03 for grants to school districts for after school care programs, to be funded with federal TANF moneys, and provide a corresponding \$150,000 FED to reflect the transfer of these federal monies. To be eligible, a district would be required to enroll pupils who are eligible for TANF and who would otherwise be unsupervised by an adult after school. The State Superintendent would be required to ensure that the grants were evenly distributed among rural, suburban and urban school districts.

Veto by Governor [C-51]: Delete provision.

[Act 16 Vetoed Sections: 395 (as it relates to s. 20.255(2)(kn)), 560d, 743dc, 1714d, 2779m and 9140(6w)]

15. LIBRARY SYSTEM FUNDING

	Legislature (Chg. to Base)	Veto (Chg. to Leg)	Net Change
GPR	\$250,000	- \$250,000	\$0

Senate/Legislature: Provide \$250,000 in 2002-03 for public library system aid. Current base funding for library systems is \$14,749,800.

Veto by Governor [A-15]: Delete provision.

[Act 16 Vetoed Section: 395 (as it relates to s. 20.255(3)(e))]

16. LIBRARY SERVICES CONTRACT

	Legislature (Chg. to Base)	Veto (Chg. to Leg)	Net Change
GPR	\$222,600	- \$222,600	\$0

Senate/Legislature: Provide \$97,300 in 2001-02 and \$125,300 in 2002-03 above base level funding of \$1,047,300 for contracts with four providers of specialized statewide library services and resources. Contracts are currently maintained with the Milwaukee Public Library for the statewide interlibrary loan of its collection, the Wisconsin Interlibrary Services, Wisconsin Regional Library for the Blind and Physically Handicapped, and the Cooperative Children's Book Center, a program of the UW-Madison School of Education, which obtains and reviews children's literature for libraries statewide.

Veto by Governor [A-16]: Delete provision.

[Act 16 Vetoed Section: 395 (as it relates to s. 20.255(3)(ea))]

17. LIBRARY SERVICES CONTRACT -- AUTOMATED SYSTEM
[LFB Paper 146]

PR	\$161,600
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Governor/Legislature: Provide \$161,600 in 2001-02 to replace an automated system at the Wisconsin Regional Library for the Blind and Physically Handicapped. Funding for this item would come from the dissolution of the Wisconsin Advanced Telecommunications Foundation's endowment fund.

[Act 16 Sections: 961m and 9101(10)]

18. STATE SCHOOL FINANCE INFORMATION SYSTEM [LFB Paper 146]

PR	\$77,800
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Governor/Legislature: Provide \$77,800 in 2001-02 for the purpose of upgrading the state school finance information system. This would fund continued development of a Web-based school finance information system. Funding for this item would come from the dissolution of the Wisconsin Advanced Telecommunications Foundation's endowment fund.

[Act 16 Sections: 961m and 9101(10)]

19. BADGERLINK

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Legislature (Chg. to JFC)	Net Change
PR	\$223,700	- \$223,700	\$0	\$0
SEG	0	0	223,700	223,700
Total	\$223,700	- \$223,700	\$223,700	\$223,700

Governor: Provide \$73,500 in 2001-02 and \$150,200 in 2002-03 to maintain the current level of BadgerLink services relating to periodical and reference information databases through

a new appropriation created for this purpose. Specify that no funds could be encumbered from this appropriation after June 30, 2003. Require the State Superintendent to charge each school district a fee for use of BadgerLink to provide revenues for the new appropriation.

Joint Finance: Delete provision.

Senate/Legislature: Provide \$73,500 in 2001-02 and \$150,200 in 2002-03 above base level funding of \$1,700,000 from the segregated universal service fund for BadgerLink. BadgerLink provides full-text database services through a statewide contract to all residents of the state.

20. GRANT TO BELOIT COLLEGE

PR	\$100,000
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Senate/Legislature: Provide \$50,000 annually from tribal gaming revenues for a grant to Beloit College to educate children and adults in southern Wisconsin about Native American cultures.

[Act 16 Sections: 558m, 887s and 2625w]

21. ALCOHOL AND OTHER DRUG ABUSE ADMINISTRATION

Funding Positions		
PR	- \$300,000	- 0.95

Governor/Legislature: Reduce funding by \$150,000 annually and eliminate 0.95 positions to reflect lower projections of available revenues.

22. GOVERNOR'S WISCONSIN EDUCATIONAL TECHNOLOGY CONFERENCE

Senate: Transfer from TEACH to DPI \$52,700 PR annually and 1.0 position to organize the educational technology conference and perform other duties as assigned in the Division for Libraries, Technology and Community Learning within DPI.

Conference Committee/Legislature: Delete provision.

23. WISCONSIN EDUCATIONAL OPPORTUNITY PROGRAM

	Legislature (Chg. to Base)	Veto (Chg. to Leg)	Net Change
GPR	\$50,000	- \$50,000	\$0

Senate/Legislature: Provide \$50,000 in 2002-03 for data collection, evaluation and technical assistance to measure the effectiveness of various programs under the Wisconsin educational opportunity program (WEOP). The primary goal of WEOP is to assist minority and

economically disadvantaged students in pursuing postsecondary educational opportunities.

Veto by Governor [A-14]: Delete provision.

[Act 16 Vetoed Section: 395 (as it relates to s. 20.255(1)(a))]

24. NEWSLINE FOR THE BLIND

PR	\$45,000
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Governor/Legislature: Provide \$23,000 in 2001-02 and \$22,000 in 2002-03 above a base level of \$45,500 to expand the Newsline services. The Newsline provides access to three national newspapers and three local newspapers for blind individuals, who use their home telephones to access servers in Madison and Milwaukee by using a toll free number. The National Federation of the Blind operates the Newsline for users who must be registered as blind or physically handicapped, and DPI contracts with the Federation to provide the service.

25. DPI CONSULTANT EXPERIENCE

Assembly: Require that DPI ensure that each person employed by the Department as a consultant has taught in a classroom or has an educational component before being employed by the Department as a consultant. This provision would apply to persons who are initially employed by DPI on the effective date of the bill.

Conference Committee/Legislature: Delete provision.

26. POSITION REALLOCATION

Governor/Legislature: Transfer 0.40 positions with \$14,100 in 2001-02 and \$20,900 in 2002-03 from FED to PR funding to provide additional staff support for the school lunch program.

Also, convert 1.5 PR project positions, which manage the child care information center at the reference and loan library, to permanent positions.

Funding Positions		
PR	\$35,000	0.40
FED	- 35,000	- 0.40
Total	\$0	0.00

27. REORGANIZATION PLAN [LFB Paper 771]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$700,000	- \$700,000	\$0

Governor: Require the State Superintendent, in consultation with the Secretary of Administration, to develop a plan for reorganizing the Division for Learning Support and Instructional Services in DPI in order to enhance DPI's ability to support the improvement of schools. Require the plan do all of the following: (a) establish a bureau for school improvement

composed of staff in the Division for Learning Support and Instructional Services and federally funded staff in the Division for Learning Support, Equity, and Advocacy in DPI; (b) organize the bureau into multidisciplinary school improvement teams to provide on-site technical assistance to schools and school districts, especially those that are identified as low-performance by the State Superintendent; (c) include on each school improvement team at least one licensed teacher employed by a school district and temporarily assigned to DPI under agreements formed for this purpose; and (d) ensure that DPI has the resources and staff necessary to assist school districts in developing and implementing decentralized school government plans. Require DPI to submit the reorganization plan to the Governor and to the Secretary of Administration by March 15, 2002.

Establish the bureau statutorily including the requirements itemized in (b) and (c) under the plan. Specify that the provision creating the bureau would not apply unless the Governor approves the plan for reorganization of DPI. Require the bureau to administer the expanded flexibility grant program created by the bill. The agreements temporarily assigning teachers to DPI would not be subject to approval by the Secretary of Employment Relations.

Provide \$700,000 GPR in 2002-03 in DPI's largest state operations appropriation and require DPI to allocate the funding to contract with school districts for the services of teachers. Prohibit DPI from encumbering or expending the money so allocated unless the Secretary of Administration determines that the reorganization plan has been implemented.

Joint Finance/Legislature: Delete provision.

28. DISTRIBUTION OF FEDERAL AID [LFB Paper 772]

Governor: Require the State Superintendent to distribute to school districts the maximum amount of federal aids allowed under federal law except those funds provided for administrative purposes, from those federal aids for which the State Superintendent acts as the agent of receipt and disbursement.

Joint Finance: Delete provision. Instead, require the State Superintendent to submit a plan to the Committee under a 14-day passive review process for distribution of federal aids for which the State Superintendent acts as the agent of receipt and disbursement, that considers the funding needs of school districts, the Wisconsin School for the Deaf, the Wisconsin Center for the Blind and Visually Impaired, and cooperative educational service agencies and that distributes to these educational agencies and schools the maximum amount of federal aid authorized by federal law. Require the State Superintendent to submit the plan for federal aids received for the 2001-02 federal fiscal year by October 31, 2001, or within 30 days after enactment of federal legislation authorizing the disbursement of the federal aid, whichever is later, and to submit the plan for federal aids received for the 2002-03 federal fiscal year by October 31, 2002, or within 30 days after enactment of federal legislation authorizing the disbursement of the federal aid, whichever is later. If the co-chairs of the Committee do not

notify the State Superintendent that the Committee has scheduled a meeting to review the plan within 14 working days after the date of submission, allow the State Superintendent to distribute the federal aid as proposed in the plan. If, within 14 working days after the date of submission, the co-chair of the Committee notify the State Superintendent that the Committee has scheduled a meeting to review the plan, require that the State Superintendent could not distribute the federal aid until the Committee has approved a plan. Upon approval of a plan, require the State Superintendent to distribute the federal aid as provided in the approved plan.

Senate/Legislature: Delete provision.

29. FEDERAL EDUCATION FUNDING

Assembly: Require DPI, in consultation with DOA, to maximize the use of federal aid for education and annually report to the Joint Committee on Finance on whether federal funding could be used in lieu of general school aid or categorical aids.

Conference Committee/Legislature: Delete provision.

30. STATE TRUST FUND LOANS FOR PUBLIC LIBRARY SYSTEMS

Governor: Allow a federated public library system whose territory lies within two or more counties to obtain state trust fund loans from the Board of Commissioners of Public Lands (Board). In general, the same limitations, restrictions, and conditions would apply as currently apply for all trust fund loans. Loans to a federated public library system could be made for any term not exceeding 20 years for a total amount that, together with all other indebtedness of the system, does not exceed the system's allowable indebtedness, set by statute at an amount equal to the system board's receipts for the prior fiscal year.

Require that a certified copy of a system board resolution approving the loan accompany an application for a loan. Require that if the application is approved by the Board, the certificate of indebtedness be signed by the system president and countersigned by a member of the system board designated by that board who is not the president, and that the board must certify such action to DOA. Require the Secretary of DOA, upon receiving such certification, to pay out the loan proceeds.

Require the Board to transmit to the system board a certified statement of the amount due on or before October 1 annually until the loan is paid and provide copies to the State Treasurer and DPI. Require the system board to pay the State Treasurer the full amount levied for state trust fund loans within 15 days after March 15 annually, and require the State Treasurer to notify the Board when payment is received. Specify that any payment not made by March 30 is delinquent and subject to a penalty of 1% per month or fraction thereof, to be paid to the State Treasurer with the delinquent payment. If the system board fails to pay the amounts due,

require the State Superintendent, upon certification of delinquency by the Board, to deduct the amount due including any penalty from any aid payments due the system, and pay the amount to the State Treasurer. Require the State Superintendent to notify the system board of such action no later than June 15.

Joint Finance: Delete provision.

Senate/Legislature: Restore Governor's provision.

[Act 16 Sections: 1088d, 1089m thru 1101m and 1407m]

31. DELETE OBSOLETE APPROPRIATIONS AND OUTDATED REFERENCES

Governor/Legislature: Delete three obsolete appropriations and related statutory provisions regarding one-time additional aid for county children with disabilities education boards, aid for special education transportation that was sunsetted in 1993, and the one-time use of the property tax relief fund to pay general school aids.

Also, delete outdated references to the \$75 million delayed school aid payments made in July of 1998 and July of 1999. Current law language relating to ongoing delayed school aid payments on the fourth Monday in July would not be affected. Finally, delete an erroneous reference to inflation adjustments for the hold harmless under intradistrict (Chapter 220) aid.

[Act 16 Sections: 99, 234, 250, 546, 547, 548, 561, 2207, 2667, 2762, 2768, 2772, 2776, 2777, 2779 and 2783 thru 2785]